

**TRAINING AND DEVELOPMENT IN LIBYAN BANKS: AN
EVALUATION OF CURRENT PRACTICES AND THE
DEVELOPMENT OF A SYSTEMATIC APPROACH TO
TRAINING EFFECTIVENESS**

By

AWAD MOHAMED ABDULSADIG ✓

**A Thesis Submitted in Partial Fulfilment of the Requirements of the University
of Abertay Dundee for the Award of the Degree of Doctor of Philosophy**

May 2010

**Dundee Business School
University of Abertay Dundee**

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**I certify that this is the true and accurate version of the thesis approved by the
examiners**

Signed:



(Director of Studies)

Date:

24/08/10

Abstract

The main purpose of this research is to evaluate the current practices of training and development programmes in the Libyan banks to explore the problems and the challenges they face, and to make suggestions that may improve the effectiveness of their training and development programmes.

Both quantitative and qualitative methods of research are applied in the collection and analysis of data from nine Libyan banks. Qualitative data were gathered through 18 interviews with nine top managers and nine training and development managers while quantitative data were gathered through the use of questionnaires from 211 employees.

The findings have shown that, firstly, training and development programmes were not effective, in general, and mostly did not achieve their objectives. Poor planning and the difficulty in determining training needs had been the most important factors that hindered training and development activities. There was a lack of on-the-job training programmes, a poor quality of external training centres and a lack of well-qualified internal and external trainers. The most frequently used training method was the lecture.

Adding to the very few studies carried out in less developed countries, this study is one of the first attempts to investigate the practice of training and development in the Libyan banking sector. It is considered as a step towards the introduction of examples of best practice relating to training and development in the Libyan banking sector. It also provides assessments for the effectiveness of the current practices relating to the implementation and evaluation process of training and development and reflects all the related problems and challenges. This study may help managers of training and development programmes in Libya and other developing countries to better understand how to carry out a training needs analysis, implement and evaluate the training and development programmes.

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Dedication

This work is dedicated to my parents, their love of their children, respect for others and sacrifices shaped my academic ambitions and all aspects of my life and to whom I promised I would complete this doctorate. Their wisdom and the determination to succeed that they instilled in me.

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Chapter 1: Introduction

1.1 Introduction

The ability of any country to realise its potential and to achieve high level of socio-economic growth depends very much on the quality of its human resources. A good quality workforce has to be properly developed and adequately rewarded. Therefore, the provision of training and development becomes a critical success factor both at the enterprise and at the national level of any society because the differentiating factor for creating superior performance and sustaining competitive advantage is the human resources and how they are managed (Pfeffer, 1994; 1998; Ulrich, 1997). Increasingly, organisations are relying on their human assets – the knowledge, competence and capabilities of their workforce – as a source of success. It is, therefore, imperative for organisations to develop effective human resource development practices and policies that will enable them to attract, retain and motivate competent employees, who will, in turn, contribute to the successful achievement of organisational objectives.

Therefore, employees are valuable assets, which should be increased through a systematic approach to investment in training and development. According to Armstrong (1996: 27) training is a process of “systematically developing and implementing learning activities to enhance knowledge, skills and competencies and to prepare individuals to perform wider or more demanding tasks now or in the future”. A survey of 246 of some of the USA largest industrial and service firms revealed that the biggest challenge that their executives faced was not foreign competition but building and keeping a qualified workforce (Beverly, 1991).

Employees of all types of organisation require a high level of training and development to give them the skills necessary to perform their work efficiently. Training and development of human resources have increased in importance in recent years with the changing environment in which business and industry are conducted, the globalisation of the marketplace, and the introduction of new technology. With the intensification of competition in the marketplace, organisations across all sectors have become aware of the crucial need to possess highly qualified personnel for the tasks to be done. The role of training is to provide new knowledge and information, supply new skills, abilities and also change and develop attitudes (McClelland, 1993). As a result, it is expected that productivity and competency will increase for the achievement of an organisation's goals. Benabou (1996: 91) argued that: "organisations are using human resource development as a competitive weapon to create a distinct advantage. Whether organisations are experiencing tremendous growth, restructuring, right-sizing, or changing markets and locations, they view training as an important tool to implement these changes".

The amount of training required today varies from one organisation to another. Most organisations have one thing in common, the need to recruit employees with specific skills, or design training programmes that will result in developing the abilities of those within the organisation. The training and development of human resources has become obligatory if organisations are to be successful in today's highly competitive global business environment.

1.2 The Rationale for this Study

The rationale of this study comes from the increasing interest in training and development in the world in general, and in Libya in particular, to develop, improve and upgrade the performance of human resources to achieve the required level of effectiveness and to remain competitive in an uncertain and global economy. It is very often argued that training and development are critical success factors in organisations, and that the effectiveness of these organisations builds upon the effectiveness of individuals responsible for running the organisations' activities (McClelland, 1993; Kirschner, 1998; Bailey, 1998; Hanover and Cellar, 1998). Many successful organisations in the world are investing a significant amount of their budgets on the training and development of their employees. Flynn (1998) stated that the true learning organisations would spend between 3% and 6% of their budgets on training their employees.

In Libya training and development has been a subject of increasing interest and heated debates. There is an apparent continuous change in Libya toward more privatisation and more direct foreign investments because Libya is more open to the world than before. This change has required more attention to managerial practices in general, and to training and development in particular, to improve the quality of the Libyan workforce. Therefore, the need for this study lies in its being the first attempt to deal with training and development in the Libyan banking sector, and to clarify what constitutes the major organisational factors for effective training and development activities.

Despite the recent changes that took place in the Libyan banking sector, little is known about the impact they have had on the role of employees' training and development for

strategy implementation and success. By using this study the researcher attempts to investigate the process of training and development in the Libyan banking sector. Hence, the main reasons behind choosing this research topic are:

- 1) Libya is the home country of the researcher, which means that the researcher is able to collect the required data and information without difficulties regarding the language, cultural difference, and so on.
- 2) There is a shortage of empirical studies concerning training and development in Libya. This point emphasises that Libya, as a less developed country, needs empirical studies in the field of training and development which might improve the training and development practices and the way in which organisations consider training and development.
- 3) The Libyan banking sector plays an important role in enhancing Libya's economic performance. The banking sector is a very active sector in Libya. It is one of the main pillars of the national wealth and it is pushing the whole economy forward. Moreover, the Libyan banking sector is known for its commitment to develop its employees to offer better quality services to its customers. Due to the importance of human resources in economic growth and social development, the Libyan banking sector pays high attention to improving the performance of its employees' abilities, education and professional skills, through continuous training and development; to enable them to react properly to the demands of economic reforms and to face the challenges of the future.

1.3 Statement of the Problem

In recent years, the Libyan government decided to privatise Libyan banks by selling them to the staff of those companies or people interested in being involved in the private sector. Privatisation was not a goal in itself but it is a way of encouraging better results in terms of costs, quality and innovation. The idea behind the privatisation process was to improve economic efficiency. This change has required more attention to managerial practices in general, and to training and development in particular, to improve the Libyan workforce. Therefore, the Libyan economy in general and the banking sector in particular are in a period of transition and their employees are in need of training and development to meet the requirements of the current and future social-economic changes. If the banks are to survive and cope with this transitional period of intense competition, they need to improve their services, strengthen their financial position and improve their technology to compete globally. As a result of the recent economic reforms, the Libyan banking sector has had to change in order to meet new challenges. These new challenges can be summarised as follows:

- **Competition**

Until recently, the Libyan banking sector was heavily regulated in all areas of activity. Price regulation and the various credit controls forced by the government created a stable environment where the concept of competition was almost unknown. Gradually, the further development of the capital market, the competition from international banking, and the free movement of capital flows led to significant changes in the policy of the Libyan banking sector. This has stimulated a positive orientation towards competitive strategy.

- **Customers Satisfaction**

The major change in the banking industry concerns customer expectations and needs for better banking services. As customers become more educated, they demand new products, better delivery channels and more reliable and responsive services. Improvement in service standards in other industries also raises the expectations of banking customers. In other words, Libyan banks need to deal with a generation of more demanding customers.

Since the main focus of employees' effort is the satisfaction of the banks' customers primarily they had to adopt a customer service culture. The new role, that the bank employee has had to undertake, is more complex and wide ranging. It is not enough for the bank employee to be an inter-mediator, he/she has to be a financial advisor ready to analyse the potential customer's needs and suggest possible solutions. These solutions need to be explained thoroughly whatever the background of the customers.

Currently, Libyan banks require a range of employees that have, besides the technical skills related to banking, a high level of personal soft skills such as: flexibility, negotiation, customer-service, ability to work in teams and to adjust to different situations. The need for customer satisfaction have made the Libyan banks recognise the importance of training and development to job satisfaction, productivity and overall profitability. This emphasis on training and development was also underpinned by the fact that quality is the main focus of Libyan banks.

- **Technological Changes**

The need for training and development has increased dramatically due to the rapidly expanding use of technology within the banking sector. Information technology is heavily used as a competitive weapon by changing the critical factors of competition such as cost, price, service and quality. The expanding use of technology allows banks to reengineer, cut down costs, reach isolated markets, set free cashiers and employees from bureaucratic activities, and finally improve customer satisfaction.

The changes described above pressured the Libyan banks to focus towards human resource development policies and practices. Indeed, in order to sustain their competitiveness and survival in the new transitional era, the Libyan banking sector must adopt more dynamic human resource development strategies that emphasize the need to train and develop their employees.

1.4 Aims and Objectives of the Study

In general terms, the purpose of this research study is to contribute to the growing body of knowledge on the role of training and development in developing countries' organisations. Specifically, to explore, describe current practices and investigate the problems and the challenges that face training and development activities in the Libyan banking sector and to make suggestions that may improve the effectiveness of these activities. It is hoped that this study would benefit the Libyan banks and their employees, and would enable them to achieve their objectives. To achieve this purpose the following objectives have been developed:

1. To review relevant literature on training and development and learn from examples of good practice in order to develop a framework for the understanding and analysis of the Libyan training and development system in the light of modern theories and approaches.
2. To review critically current training and development policies, practices (the characteristics of training needs assessment, training and development delivery and evaluation process) and programmes provided by the Libyan banking sector, and highlight their strengths and weaknesses.
3. To unveil the problems and obstacles that are faced when implementing training and development programmes in the Libyan banks, and the factors that may solve such problems and reduce such obstacles in the future.
4. To make recommendations as to how the training and development policies and practices of the Libyan banking sector can be improved.

1.5 Research Questions

In the light of the above objectives, this study attempt to answer the following questions:

1. What are the current training and development policies and practices in the Libyan banking sector in terms of how training needs assessment is conducted, how training methods are used, and how training evaluation is carried out?
2. What kind of problems and obstacles are faced when training and development programmes are implemented in the Libyan banking sector?
3. Has the Libyan banking sector succeeded or failed to train and develop its employees adequately to make them competent in their work and to meet its operational requirements?

4. What can be done to solve such problems and reduce the obstacles of training and development in the Libyan banking sector in the future?

1.6 Methodology

To answer the above questions several research methods have been examined and finally an exploratory method has been deployed because in this study is primarily concerned with the exploration and evaluation of the current situation in order to suggest how to improve the practice in the future.

1.6.1 Sources of Data

The study relied on the following sources to obtain the required data:

- A questionnaire was used to collect data from employees who were trained between 2000 and 2006 about the design, content and implementation of training and development programmes in their banks.
- Semi-structured interviews were used to ascertain the views of training and department managers about the design, content, implementation and evaluation of training and development programmes in their banks.
- Semi-structured interviews were used in order to ascertain the views of top managers about the training and development programmes that had been implemented in their banks and in Libya in general.
- A review of relevant published and unpublished literature on the Libyan banking sector and on training and development in general.

1.6.2 Data Analysis

The data collected through the use of the sources stated above were analysed by a number of statistical and non-statistical techniques as follows:

- The Statistical Package for the Social Sciences (SPSS) was used to analyse the primary data collected from the questionnaires and the interviews.
- Other kind of statistical techniques such as frequencies and percentages were also used.
- The non-statistical method is the interpretation of the qualitative data from the interviews with the managers.

1.7 The Significance of the Study

As explained earlier the Libyan economy in general and the banking sector in particular are in a period of transition and their employees are in need of training and development to meet the requirements of the current and future changes. As far as training and development are concerned, there are only a few academic studies about training and development in Libya and in the Arab world. Thus, this study is significant because:

1. It will contribute to the understanding of training and development practices in Libya, by adding something new to the literature about training and development in Arab countries, and presenting an empirical and analytical study to expand the literature in relation to training and development in Arab countries.
2. It will raise awareness of the importance of training and development, and give a better understanding of how training and development could be approached effectively.

3. It will enlighten policy makers and top managers in the Libyan banking sector to apply a systematic approach to training in order to improve the skills of Libyan banking sector human resources, taking all organisational factors related to training and development into consideration in their strategic decisions. Managers in charge of training programmes will be able to use the findings of this study to redesign training and development activities for a more effective implementation process.

To the best of the researcher's knowledge, this study is unique because there have been no published studies dealing with the analysis of training and development in Libyan banks. Although the study is addressed particularly to the problem of employee training and development in the Libyan banking sector, it should have significant implication for other developing countries that may be interested in developing comprehensive and integrated employee training and development programmes. The results of the study will contribute to an understanding of the difficulties of Libyan banking sector in developing its human resources, and its aspirations for better training and development programmes. Libya's experience in this respect may also be of interest for international comparative studies and research.

1.8 The Structure of the Thesis

The thesis consists of eight chapters followed by a bibliography and appendices.

Chapter One: Introduction. This chapter covers the background to the problem, the rationale for the study, statement of the problem, aims and objectives of the study, research questions, the significance of the study, and the structure of the thesis.

Chapter Two: Training and Development: A Conceptual Analysis. It provides a review of the literature related to human resource development and training and development. This includes definitions of training, education, learning, objectives of training and development, training and productivity. Moreover, this chapter provides a systematic approach to training and development, training and development methods and evaluation phase.

Chapter Three: Training and Development: A Theoretical Analysis. This chapter aims to present training and development, current policies and practices in Arab countries and industrialised countries. Different issues are highlighted in this chapter, including the main problems and obstacles facing and influencing training and development practices, the training needs assessment, programmes design, and evaluation of training and development. Moreover, this chapter explored the main problems and obstacles, training needs assessment, programme design and evaluation. Also, this chapter summarises and discusses the training and development process in both regions (industrialised countries and Arab countries).

Chapter Four: The Libyan Business Environment and the Libyan Banking Sector. The aim of this chapter is to familiarise the reader with the historical, political, social and economic aspects of Libyan society. Different issues are highlighted, including the geographical and historical background of country and the main changes in the political and economic systems since independence. Moreover, this chapter aims to present background information on the Libyan banking sector and the developments which have taken place in this sector.

Chapter Five: Research Design and Methodology. This chapter provides an extensive analysis of the methodological issues related to this study. It starts with an overview of the research design including approaches of research, followed by justifications for the chosen research methodology and design, including the population and the sample. In addition, in this chapter the two main methods of data collection used in this research are discussed.

Chapter Six: Analysis of Data and Presentation of Findings. This chapter presents the findings from the analysis of data from the questionnaires and interviews responses. The findings are presented in tables and in quotations as appropriate.

Chapter Seven: Discussion. In this chapter, the findings presented in chapter six are discussed. It presents interpretation and reflection of the qualitative and quantitative results presents in the previous chapter. Each of the findings is discussed in relation to other studies and the literature reviewed in chapters two and three, comparisons with other related studies in the area of human resources development in Arab countries and industrialised countries are made.

Chapter Eight: Summary, Conclusions, Recommendations and Suggestions for further Research. This chapter concludes the thesis with a summary of the main issues from this study, makes recommendations for improving training and development in the Libyan banking sector, reconsiders the research objectives and indicate areas for further research.

Chapter 2: Training and Development: A Conceptual Analysis

2.1 Introduction

This chapter starts by reviewing and outlining the various definitions of training, development, education and learning in order to set a base line for understanding the operational variables of this subject. This is followed by the importance and objectives of training and development, and training and productivity. Moreover, this chapter provides the basis for a systematic approach to training and development.

2.2 Terminology

This study involves an exploration of training and development in theory and in practice. It is therefore considered necessary to start with a brief definition of each of the main aspects of the subject.

2.2.1 Training

Different researchers have addressed training as a concept from different angles. For example, according to Megginson (1995: 69) training is “a relatively systematic attempt to transfer knowledge or skills from one who knows or can do to one who does not know or cannot do”. It is also defined by the UK Manpower Services Commission (1981: 62) as “*a planned process to modify attitudes, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or a range of activities. Its purpose, in the work situation, is to develop the abilities of*

the individual and to satisfy the current and future manpower needs of the organisation". This definition is based on a planned process which helps employees to gain adequate knowledge and skills that are necessary to perform their duties effectively. This view is echoed by Buckley and Caple (2000: 1) who defined training as "any systematic process used by organisations to develop employees' knowledge, skills, behaviours, or attitudes in order to contribute to the achievement of organisational goals".

Moreover, according to Stewart and McGoldrick (1996), training can be divided into three categories as follows:

- Knowledge:

- Technical – specific to the job, without which the job could not be done.
- Context – relates to elements to do with employment.
- Background – relates to elements such as organisation, history and relationship with stakeholders.

- Skills:

- Intellectual – sometimes referred to as "mental" skills, such as judgment and creativity.
- Physical – also known as "manual" such as sensory activity and co-ordination.
- Interpersonal – also known as "social" such as verbal communication and leadership.

- Attitudes:

The concept of attitudes is highly complex and controversial. However, in simple terms, and in the context of work, attitudes held by individuals can be good/bad,

positive/negative, or desirable/undesirable. The distinction depends on the nature and requirements of the job.

As the above definition states, training is based on a planned process which helps the acquisition of the appropriate attitude, knowledge or skills for current and future human resources needs, which are necessary to achieve an organisation's objectives. It could be concluded that training is to prepare the learner for participation in work or for a particular job and to improve performance through the gaining of new knowledge, skills and attitudes to effectively meet workplace tasks and changes.

2.2.2 Development

Development is a process that can take place at any time and is not constrained by formal parameters or at specific points within an individual's life cycle. Neither it is confined to the classroom or coaching situation, nor is it a situational term restricted to planned or formalised group sessions (Baum, 1995). Peddler (1995) defines development as making the most that one can out of opportunities in both the outer and inner sphere.

The UK Manpower Services Commission (1981: 15) defined development as *"the growth of realisation of a person's ability, through conscious or unconscious learning. Development programmes usually include elements of a planned study and experience and are frequently supported by a coaching or counselling facility"*. Moreover, Barro (2000: 71) described development as *"the social process directed towards creating changes within the economic and social structure that is able to create self-sustained productive capabilities and it would lead to regular increases in*

the actual average income of the individual. It aims at securing the individual's basic needs and his/her right in participating and securing his/her safety and stability in the long term". Therefore, it can be concluded that development its prepare learners for future roles in higher order or different work activities.

2.2.3 Education

Education is usually a pre-experience activity, which leads to academic or vocational qualifications prior to one's employment career. Not all education courses are pre-experience because some are undertaken during one's career development. Education can be gained through full-time or part-time, indoor or outdoor learning. According to the UK Manpower Services Commission (1981: 17) education is "*activities which aim at developing the knowledge, skills, moral values and understanding required in all aspects of life rather than a knowledge and skill relating to only a limited field of activity. The purpose of education is to provide the conditions essential to young people and adults to develop an understanding of the traditions and ideas influencing the society in which they live and to enable them to make a contribution to it. It involves the study of their own cultures and of the laws of nature, as well as the acquisition of linguistic and other skills which are basic to learning, personal development, creativity and communication*".

Moreover, Jarvis (1995) defined education as any planned series of incidents, having a humanistic basis, directed towards the participants' learning and understanding. This definition does not restrict education to a specific learning process, to a specific time in life, or to a specific location. It therefore would fit comfortably within a human resource development. Van Wart et al. (1993), argued that education is in principle

driven and tends to be only broadly applicable to learners. In a human resource development context education teaches general skills and knowledge for the sake of a field or discipline rather than having a specific job focus. Therefore it can be concluded that education is a systematic or planned process, enabling the learner to gain an understanding of society and of their role in that society. Education should be future orientated and ongoing.

2.2.4 Distinction between Training, Development and Education

Training and development are the most important subsystems or elements of human resource development. They are related to increasing, improving, enhancing and modifying employees' skills, abilities, capabilities and knowledge to enable the learners to conduct their current and future jobs effectively, thereby increasing individuals' and organisations' growth and performance. According to Mondy et al. (1999), when put together training and development is a planned, continuous effort by management to improve employee competency levels and organisational performance. Nadler and Nadler (1990) define training and development as an organised learning experience provided by employers within a specific period of time to bring about performance improvement and/or personal growth.

Therefore, the distinction between training and development is that training is concerned with enhancing and improving individuals' skills, knowledge, behaviour and attitudes in order to be able to conduct their current jobs effectively, while development activity is concerned with developing individuals' skills, knowledge, attitudes and behaviours in order to be able to conduct their future jobs effectively. Nevertheless, although training is concerned with current or present jobs its benefits

may continue throughout the employees' entire career and helps in preparing them for future promotion. Werther and Davis (1996) argue that the distinction between training (now) and development (future) is often blurred and primarily one of intent. Therefore, in this study they are treated as being one activity.

Education is generally used to refer to instruction in general knowledge and skills as received in schools and universities, whereas training is commonly conceptualised as specialized instruction for vocational purposes. When the acquisition of knowledge and skills becomes more general-purpose and long-term in nature, this tends to be seen as education rather than training (Jarvis, 1995). Although both education and training are concerned with promoting and guiding learning and assisting in the achievement of goals, they differ but complement each other. They differ in the degree to which aims can be specified in behavioural terms, in the time normally required to achieve these objectives, in the methods of learning, in the learning material involved, and in the context in which the learning material is used. Training usually includes the acquisition of behaviours, facts, ideas, etc., that are more easily defined in a specific job-related context. It is a broader process of change and its objectives are less inclined to precise definition (Buckley and Caple, 2000).

Another distinction between training and education is that training is a kind of learning by doing, while education is learning without doing. In education people learn something, but it is not necessary that they apply or transfer what they learn, while, in training, people do/will or are supposed to apply or transfer what they learn into their workplace, not just to keep it in their mind. Practically, there is a difference between them when you know about something and when you are able or willing to do that thing (Werther and Davis, 1996).

Therefore, human resources development is investment in education and training to build up skills, knowledge and attitudes. Developing people through education and training is a part of an overall human resources strategy. The strategies and other practices of organisations must be driven by the business and human resources needs. Without investment in human resources the country will be trapped in low income and low skilled manpower, and consequently an under-developed economy. Education and training make people employable, give them access to decent work, enable them to escape from poverty and provide skills and knowledge to raise output of the labour force.

2.2.5 Learning (Learning Organisation and Organisational Learning)

The concepts of learning, organisational learning, learning styles are considered as central issues which need to be understood when designing and managing effective training and development functions and programmes (Gomez et al., 2004). Learning is defined as a process in which people are involved and that they will somehow end up with a certain degree of knowledge that have potential influence or change on the participants' behaviours as a result of this (Walton, 1999). Learning can occur in formal setting such as a university or organisational training centres but it can also occur less formally:

- Formal learning takes place in a structured and intentional way. Typically, formal learning takes place when we attend some kind of courses, often in a particular setting. A good example of formal learning is the learning that takes place in school classrooms or training rooms.
- Informal learning is not structured, though it may occur in a structured setting. Informal learning takes place when we learn something new without intending

to. It is the kind of learning that occurs when we pick up tips on doing something from watching an expert at work, or discover a new piece of information through a casual conversation (Wilson, 2006: 202).

Organisational learning and the learning organisation are important and have implications for training and development in any successful organisation. The concept of the learning organisation has become a catchphrase in the management and human resource development literature (Ortenblad, 2001). It is defined as a particular type or form of organisation that facilitates training and development opportunities to all of its members. In this way it transforms itself constantly in accordance with the continuous changes in its external and internal environments (Ortenblad, 2001). The need for the learning organisation has emerged as organisations search for new ideas, problems and opportunities to achieve sustainable competitive advantage and superior organisational performance, as a way by which it can adapt and confront continuous changes and challenges in its environment. Training and development helps in creating the learning organisation because it is the function by which an organisation can improve, update and increase employees' skills, knowledge and abilities, so that they can outperform their current and future work under any new changes or challenges. In other words, it helps to make organisational workforces flexible, capable and adaptable to confront continuous changes and challenges (Ortenblad, 2001).

Organisational learning can be defined as processes or activities of learning in the organisation. Organisational learning is a dynamic process that involves moving between different levels of action, going from the individual to the group level, from there to the organisational level, and vice versa. People are learning every day. In

organisations people are learning many things they need to learn in order to become competent in their jobs. They learn by doing things, thinking of things, talking to each other, observing things, by reading things. So we all learn from everything we do, think about, read, watch and observe (Ortenblad, 2001).

2.3 Objectives of Training and Development

The need for training and development has increased dramatically due to the rapidly expanding use of technology within industries and businesses and the continuous threats of knowledge and technology obsolescence (Motwani et al., 1994). In addition, the growing emphasis on quality and customer satisfaction makes organisations recognise the importance of training and development to job satisfaction, productivity and overall profitability. Motwani et al. (1994) stress that training is essential not only for individuals' growth but, also, for increasing productivity and competitive advantage of organisations and the whole nation. They also argue that there is a direct correlation between the amount invested in people and the quality of the product or service being produced. Also, there is a direct relationship between training, customer satisfaction and employee satisfaction. In addition, organisations are increasingly dependent on people's skills for improvement in efficiency, quality and customer service and for the development of new applications for products and services.

Hughey and Mussnug (1997) argue that the main aim of employee training is to increase an organisation's efficiency and effectiveness. Training and development has a strong impact on the organisation's profitability; thus, management consistently

views employee training as simply an additional avenue for enhancing the total financial return on investment.

Training and development's primary, traditional role has been to ensure that the workforce is provided with the knowledge, skills and attitudes necessary to perform a given function well. Thus, the main aims of any training and development programme are to achieve some kind of change in employees' knowledge, skills, experience, behaviour and attitudes; also to:

- develop employees' skills and abilities to improve their performance;
- familiarize employees with new systems, procedures and methods of working;
- help employees and new starters to become familiar with the requirements of particular jobs in the organisation; and
- help the organisation to improve customer service, satisfaction and total quality in the organisation (Walton, 1999; Marchington and Wilkinson, 2000).

2.4 Training, Development and Productivity

Organisations around the world are coming under increasing pressure to improve their efficiency and effectiveness to be able to compete in the changing market situations and to cope with unexpected and turbulent business environment (Motwani et al., 1994). The key point for success is change. Change may be internal to the organisation or external to it. Internal changes in an organisation may be a result of changes in finance, structure, technology, strategy and culture, while external changes may be a result of changes due to economics, politics, competition and government legislation. Training and development are therefore logical extensions of each other. McClelland (1993) argues that relying on training will produce improvements in

human performance. Organisations are increasingly becoming aware that in spite of the technological changes in recent years, human resources are still an important issue which have a significant effect on overall development and productivity.

According to Denton (1995), a study of 155 manufacturing firms by the U.S. Department of Labour, which compared the performance of companies introducing formal training programmes with those that did not, concluded that firms with formal training programmes had a 19 percent greater increase in productivity over a three-year period. Rapid changes in technology, shorter product life cycle, increased competition, and low-cost production, are some of the reasons which are compelling organisations to have a highly skilled and educated workforce which can effectively cope with the changes. Several recent studies (Kirschner, 1998; Bailey, 1998; Hanover and Cellar, 1998) found that training and development was used as a tool to help employees become more productive by successful organisations, and as a means of attraction and retention used by employers to attract potential employees. Also, a study of 99 middle-managers by Hanover and Cellar (1998) examined the importance of a diversity-related management-practices and the effects of a training workshop on self-perceptions of behaviour found that those who attended the workshop did rate management practices related to diversity training courses as more important, and did perceive themselves as engaging in such practices more than did a control group.

2.5 Systematic Approach to Training and Development

Training and development should be based on a systematic approach, rather than being piecemeal, fragmented, isolated short programmes developed to meet specific short-terms needs. Armstrong (2003) argues that training and development will fail to

obtain its objectives and affect organisational performance if it is based on a piecemeal basis and is used in isolation without the backing of top management. There should be a systematic training and development approach that includes some important phases or sub-processes, as follows:

2.5.1 Research and Analysis Phase

The analytical phase provides information about the organisation, task and people, which is an inventory of organisational objectives and their activities based on the tasks selected for instruction and performance appraisal. This phase involves the conduct of training needs assessment at the organisational, task and individual levels.

2.5.1.1 Training Needs Assessment

Training needs assessment enables training and development to be directed towards achieving organisational strategy and objectives. McClelland (1993) defined the training needs assessment function as a tool to identify organisational as well as individual training needs, and provide a relatively detailed account of an organisation's skill and knowledge base. Kaufman (1996) goes further, and stated that the determination of needs and the analysis of their root causes are vital steps toward the effective and efficient development of solutions. Also, according to Nadler (1990), training needs should not only be assessed at the first step, since the training and development process is affected by a variety of environmental factors that could affect the whole training and development outcomes and results. Thus, the training and development approach should be flexible enough to reassess training and development needs during all the phases in order to take any urgent training and

development needs into account. Training needs assessment is considered the critical phase by which training and development needs are identified. This phase determines the whole direction and purpose of training and development processes. Thus, it should be analysed and conducted well to build other phases effectively. Training needs assessment aims to determine the gap between the actual level of performance and the desired one. It involves the identification of training and development needs through making a series of assessment inside and outside the organisation and then establishes training and development objectives to meet these needs.

Beardwell and Holden (1994) contend that individual and group needs, which are supposed to fit with the entire organisation's needs and objectives, are very important dimensions in determining training and development needs. Therefore, individual, task and organisational needs should be interrelated and interconnected. Also, training needs should fit the organisation's culture as well as the organisation's corporate strategy.

- **Organisational Needs Analysis**

Organisational needs analysis, according to Werther and Davis (1996), Walton (1999), Reid and Barrington (1999), and Stone (2002), determines the organisation's needs as a whole. It aims to determine where training and development activities are required in the organisation and where they will be successful. It is also used to find out how training and development programmes can contribute to the achievement of organisation's goals and objectives. Organisational needs analysis also helps to identify the allocated resources for the training and development programme and to

identify areas of actual or potential weaknesses that could be corrected by training and development.

- **Task Needs Analysis**

Task analysis is associated with the nature of tasks to be performed on the job and the knowledge and ability yet to be learned or acquired to perform these tasks (McClelland, 1993; Tannenbaum and Yuki, 1992). Therefore, task analysis is about collecting, recording, tabulating and analysing duties and tasks, identifying employees' competencies necessary to perform their jobs, and identifying job performance standards, knowledge, skills and abilities essential to perform these tasks.

- **Individual Needs Analysis**

Identification of who is to be trained and what sort of training is needed by an individual is the person analysis (Tannenbaum and Yuki, 1992). Who needs training? And what kind? In order to answer these questions, we need to diagnose what specific skills and knowledge are to be developed if the employee is to perform his or her job (Latham and Wexley, 1991; Stone, 2002). Accordingly, individual needs analysis can be utilised to assess whether the employees have the prerequisite attitude, knowledge, and the motivation to benefit from training and development.

2.5.2 Development Phase

This phase is based on the results of the analysis phase. It uses the results of the analysis phase to develop guidelines that help to achieve better learning. Instructional management plans are developed in this phase, to allocate and manage all resources, and to develop as well as select instructional materials. This phase involves three steps, setting objectives, programme design and training methods.

2.5.2.1 Setting Objectives

After defining training needs as a first step, setting objectives is the second. Training derives from the training needs assessment, that is, the discrepancy gap between the actual performance and what it ought to be. The training objectives should be adapted to trainees who will participate in the training programmes. Armstrong (2003: 47) defined it as a criterion behaviour: “if the job is achieved then the training is to be regarded as successful”. For this, clear and measurable training objectives are required, without which the co-ordination of the training activities, which is vital for any planning, could be arduous work to carry out (Buckley and Caple, 2000).

It is difficult to design or evaluate training at professional level without knowing what training is trying to achieve. Without such stated training objectives, evaluation of training results becomes impressive and it will be unable to assess accurately overall effectiveness of training (Buckley and Caple, 2000). According to Latham and Wexley (1991) the course objectives should be tailored to people who will enrol on the training course, based on the information which has been collected from needs assessment, in order to determine what is expected from the individual to know and

practise after training. Thus, the objectives should be firmly linked to performance requirements, and the actions that the trainee should be able to execute after training are to be specified clearly, with the conditions under which these actions are to be performed and the standard of execution to be met.

Training objectives play an important role but without knowing the aim of them one cannot design or evaluate training at a professional level. Buckley and Caple (2000) argue that training objectives should be reviewed for management development by top management whenever a switch in strategy is planned. They further argue that training should not be solely for the benefit of the individual, but training should be for the benefit of the firm, recognising that in turn this benefits the individual. According to Buckley and Caple (2000), the linkage of objectives with the organisation's plan and shift in thinking towards the purpose of training are significant factors for the success of training programmes.

2.5.2.2 Programme Design

After the successful completion of training need analysis and identifying the objectives, the next step is to determine how training will be accomplished. All the activities associated with the translation of the training content to a training programme are covered in the training design. In this third step, the outline, sequence and detailed scheduling of the training and development programmes are involved. The design of training must take into account the trainee's characteristics, available resources, learning objectives, and current knowledge about the learning process (Wexley and Latham, 1991; Tannenbaum and Yuki, 1992). In this respect, Patrick

(1992) describes the three main components of a fully designed training programmes as:

- training content to be sequenced and broken-up into manageable learning steps;
- training methods and strategies as organisational instructional method or strategies; and
- the trainee characteristics, such as knowledge and skills.

These components not only affect what has to be trained but also how information in training programme is understood and assimilated. According to Patrick (1992) trainee's motivation and attitudes have a strong influence on the success of any training programme, which are the most neglected design variables.

2.5.2.3 Training and Development Methods

To have positive results from training and development programmes, organisational commitment to training must tie in closely with appropriate effective training methods and training delivery mechanisms (Acton and Golden, 2003). The choice between training and development methods depends on different issues that need to be considered when deciding the appropriateness of any training and development method or approach such as: training and development content; the objectives to be achieved; training and development needs; the number of trainees; trainees' background; trainees' level of understanding; trainees' education level; trainees' training needs; trainees' ages; trainees' preferred learning style; the available equipment; the time and the budget allocated to training and development programme (Acton and Golden, 2003; Giangreco et al. 2010; Nikandrou et al. 2009). All these

issues should take into account that training and development usually uses more than one method to achieve its goals. There are many methods of conducting training and development, for example:

- **Lectures**

Lectures are structured, planned talks, usually accompanied by visual aids, such as slides overhead projector foils, or flipcharts (Buckley and Caple, 2000). There is little or no participation by the trainees until they are invited to ask questions, usually at the end (Pont, 1996). Lectures are perceived to be useful in training because:

- The trainer has control over the content and sequence in which the material is presented.
- A large number of trainees can be catered for.
- More material can be presented in the time available.

However, there are some reservations against the use of lectures (Buckley and Caple, 2000). These include:

- There is a lack of interaction between trainer and trainees.
- It is difficult to hold the attention of trainees due to the lack of participation.
- It requires a high skilled presenter, etc.

- **Seminars**

Seminars consist of a group of people having the expertise and ability to get together to discuss and investigate a certain topic. In a seminar, one participant or more submits a paper or an abstract of the topic to be addressed for discussion. A seminar is

usually directed by a selected member who guides the stream of discussion without censorship (Warner, 1996). The seminar is usually centred around a single theme which is examined in some depth. The size of the seminar should be such that it can be readily divided up into small syndicate groups. The syndicate size is determined by its effectiveness as a discussion group (Robinson, 1985).

• **Discussion Groups**

Discussion groups are a common training vehicle which is useful for the presentation of ideas and plans, especially when issues have to be clarified or expanded and people's views have to be ascertained (Rae, 2001). The discussion leader must have skill in planning, making careful preparations, encouraging the participation of individuals, controlling the discussion, summarising the results of the meeting and ensuring that appropriate action is taken (Reid and Barrington, 1999). Discussion is a free exchange of information and opinions. The discussion method is a training technique in which the learning derives mainly from the participants themselves rather than from a trainer. The main features of the discussion groups include the following (Rae, 2001):

- An atmosphere of readiness to share views and information.
- The exchange of views among the members helps them to listen and learn, resulting in a wider and fuller understanding.
- Discussions provide an opportunity for improvement and clarification of material presented.
- Discussion facilitates creative and reflective thinking.
- Discussion methods improve the retention of the subject matter.

• Case Study

The case study is an examination of events or situations, often real-life, usually aimed at learning by analysing detailed material or defining and developing solutions for problems (Reid and Barrington, 1999). With this method the specific details are presented in a written form to represent the profile of the problem under study. The participants are asked to suggest the best solution based upon the given facts. Participants must be prepared to discuss not only their personal(s), but also why and how they reached their particular decision(s). Interesting and various solutions usually emerge and if several groups tackle the same problem, interesting comparisons can be made which can be shared in a plenary session (Pont, 1996).

Three essential features characterize the case method: the case report, the case analysis, and the case discussion. It has the potential to improve one's understanding of management processes and to enhance one's managerial competence (Reid and Barrington, 1999). The planning requirements for a case study include (Rae, 2001):

- The decision whether to use an artificial (i.e., simulated) or a real problem.
- How far the study will extend – a complete organisational problem, specific managerial problems, or personal value situations.
- The resources to be made available – a written brief, a video clip (commercially or home-made), or a computer application.
- Whether observers will be used, how and to what extent.
- The role to be taken by the trainer(s) during the activity.
- The format of the review.

• Role Play

Role play is the enactment of role(s) in a protected training environment. It is a widely used technique to strengthen interpersonal skills and expand individual understanding of complex emotional or social issues. Role play is flexible training method which is frequently used in management development for teaching skills such as interviewing, handling grievances, human relations, personnel, leadership styles, their impact on others, and effective communication (Reid and Barrington, 1999). Generally, there are two approaches to role play (Kubr and Prokopenko, 1989):

- Structured role play, when a leader (or the group) selects certain situations, defines the roles, sets goals and objectives.
- Spontaneous role play, when the problem situation arises from group discussion, without advance planning.

• Management Games

Management games are a training technique in which participants are asked to play the games themselves as a team (Robinson, 1985). In this approach a great deal of information is given about a hypothetical model and about external factors affecting it, and participants assume roles as managers of the operations involved. In most games, participants as a team follow a sequence of steps in dealing with problems and making decisions, and then receive feedback, which reflects the action taken by the opposite team (Kubr and Prokopenko, 1989). In summary, the purpose of management games is to increase understanding of four issues, reported by Kubr and Prokopenko (1989) as:

- Specific organisational problems;

- the interrelationship of different functions and sectors and their relationship to the environment;
- the process of organisation policy and decision making; and
- participants' training needs or areas for performance improvement.

2.5.3 Implementation Phase

Training and development programmes should be implemented according to the programme design. Qualified trainers who have the abilities to deal with different people and situations are necessary for a successful implementation process (Bee and Bee, 1994; Hughey and Mussnug, 1997; Hale, 2003). Armstrong (2003) asserts that training and development programmes should be monitored continuously to ensure that they are proceeding according to the plan and within the agreed budget. In order to check the managerial results, training should be evaluated after each event. According to Davis (1990), the goal of management development and the method of implementation need to be considered together. He further argues that before commitment to a particular method of training and development, there is a need for careful analysis of the strength and weakness of different approaches to be delivered.

Moreover, Mondy et al. (1999) argue that implementing training programmes usually faces some difficulties which must be resolved first in order to reach a satisfactory implementation stage the difficulties are:

- Most of the managers have the same reaction all the time. They have no time and they are too busy to think about training and development.

- A good trainer has to exist. Qualified trainers who possess communication skills, who understand the management philosophy, objectives and the importance of the training programmes are not available all the time.
- Record keeping is also one of the difficulties which faces an organisation when implementing training and development programmes. This information might be useful to the organisation in order to assess the effectiveness of the programme by measuring the trainees' performance before and after training.
- The requirements of the coordination of training programme conducted outside the organisation might be many and expensive.

2.5.4 Evaluation Phase

The UK Manpower Services Commission (1981: 77) defined training evaluation as *“the assessment of a total value of the training system, training course or programme in social as well as financial terms. Evaluation differs from validation in that it attempts to measure the overall cost-benefit of the course or programme and not just the achievement of its laid-down objectives. The term is also, used in general judgmental sense of the continuous monitoring of a programme, or of training function as a whole”*.

Hence, training evaluation helps to collect all the descriptive and judgmental information required to make effective training decisions. Evaluation should be viewed as part of an effective training process and a base to improve organisational decision-making about human performance improvement (Burrow and Berardinelli, 2003). It identifies where a training and development department could prove that it adds valuable service or adds value to the organisation's performance. In other words,

training evaluation helps in interpreting the training costs and measures the benefits of training and development programmes against the employees' total performance. From training evaluation, an organisation can make a judgment of what employees gain from training and what is transferred and implemented to their work. Therefore, it could be argued that, as long as an organisation pays attention and emphasises training evaluation to identify training contributions, training is viewed by this organisation as an important organisational function that improves or helps to improve organisational performance. Mann (1996) argues that, despite heavy investment in training, organisations can frequently fail to evaluate adequately the value or success of their training programmes. Evaluating training gains or influences on organisational effectiveness and performance is a very hard task for the following reasons:

- There are many other factors which can have an influence, positively or negatively, on the organisation's performance such as other organisational activities, market forces, competitive activity, new technology, legislation, the economy, etc.
- The impact of training may take a considerable time to show up in overall results.
- Training results and outcomes are usually complex and difficult to be measured or quantified such as employee satisfaction, commitment, motivation, changes of behaviour and attitudes, etc. This causes confusion between accountants and line managers who view training evaluation differently from the way trainers view it. Accountants and line managers may believe that training evaluation is not different from any other form of evaluation; simply, outputs can be compared with inputs, while the fact is that

the relationship between training intervention and organisational performance cannot be easily identified (Shandler, 1996; Redshaw, 2000; Burrow and Berardinelli, 2003).

To overcome most of the evaluation difficulties, Redshaw (2000) and Burrow and Berardinelli (2003) suggest that there are two important issues to be taken into account. First, line managers should be involved. As mentioned earlier, effective training and development programmes require top and line management support, commitment and leadership. Thus, line managers should participate in determining the training objectives and evaluation criteria. These occur when trainers are consulting with line managers. They may ask them questions such as: what they want to improve; how they will recognise success; and how they will measure this success. During this process all the other factors that influence the organisation's performance would be identified and agreed. Second, because it is hard to connect training intervention to the organisation's performance measurements directly, these measurement need to be revised, refined and resized to document the impact of planned learning (training and development) on organisational performance.

There are many training evaluation approaches and techniques: Kirkpatrick's model, the Bell system, Parker and CIRO. Nevertheless, Kirkpatrick's evaluation model is the one of the most commonly used by many organisations (Hale, 2003). According to Kirkpatrick (1996), there are four levels to be considered when evaluating training effectiveness:

- **Reaction Level**

This level of measurement answers the question of whether people are happy with the training inputs or not (Hale, 2003). Thus, it evaluates the participants' reactions, opinions, impressions and attitudes toward the programme such as: to what extent the participants liked the training and development programme, its contents, the trainer, the methods and the environment surrounding the programme. This is commonly obtained at the end of the programme through questionnaires or group discussion.

- **Learning Level**

This level answers the question: 'what do people remember from the training session?' (Hale, 2003). To what extent have the participants learned the material and the particular skills or know-how contained in the programme? Kirkpatrick (1979: 181) defined this measurement as, "the extent to which participants change, improve knowledge and/or increase skill as a result of attending the programme". This measurement is made through special standardised tests at the end of the programme, such as pre-post, paper-and-pencil tests, skill practice, workshops and job simulation.

- **Behaviour Level**

This level answers the question of 'whether people use what they know at work?' (Hale, 2003). The changes in the participants' behaviour, skills, patterns of work, relationships and abilities, and so on. In this kind of measurement, management would like to know if participants have improved on-the-job performance as a result of training and development. These indications could be collected through

observations, survey, interview and comments of supervisors and colleagues and from performance appraisal.

• Results Level

This level of measurement answers the question: ‘what are the outcomes of applications on the job over a period of time?’ (Hale, 2003: 39). This level of measurement reflects the efficiency of achieving training and development programmes and the organisation’s objectives. This level of evaluation focuses on the impact of behaviour change on the organisation’s performance. Because changing employees behaviour and attitudes is not the final objective of training and development, the end results should include things such as; improved productivity, better quality, lower costs, more speed, fewer accidents, improved moral, lower turnover and, ultimately, more profit and better service. To determine the cost efficiency of training, recent return on investment is used to find out whether the monetary values of the results exceed the cost of the programme.

For an effective evaluation process, Burrow and Berardinelli (2003) suggested the things that need to be taken into account. These are:

- Evaluation must be objective and targeted as an important outcome, including individual, job and organisational improvement.
- Evaluation should be accomplished relating to the agreed evaluation criteria improved in developing and designing training and development programmes.
- Evaluation should be matched with the organisation’s philosophy, culture and objectives. In other words, what is relevant to one organisation may not be relevant to another.

- Evaluation procedures should be reasonable, which means that evaluation should be able to be conducted within the structure and resources and the training programme by the people responsible for the programme.

2.6 Summary and Conclusion

It can be concluded that this chapter is one of the most critical parts of this study since it provides a review of the concepts related to human resource development and training and development. This includes definitions of training, roles and objectives of training and development. Therefore it can be concluded that the rapid change and global competition have caused training and development to be an important organisational strategic function. Human resource activities, particularly human resource development have become powerful contributors to the achievement of the strategic business objectives. Training and development are responsible for creating a well-qualified and capable workforce, which is responsible for increasing the overall organisational performance. Moreover, this chapter provides a systematic approach and methods to training and development. A systematic approach to effective training and development process involves assessing training and development needs by determining the organisational, individual and tasks' needs and requirement. Designing, developing and planning training and development programmes by which objectives and evaluation criteria are formulated and planned.

There are many training methods usually used to achieve the organisations objectives and to have positive results from training and development programmes, organisational commitment to training must tie in closely with appropriate effective training methods and training delivery mechanisms. The choice between these

methods depends on different issues that need to be considered when deciding the appropriateness of any training and development method or approach such as: training and development content; the objectives to be achieved; training and development needs; the number of trainees; trainees' background; trainees' level of understanding; trainees' education level; trainees' training needs; trainees' ages; trainees' preferred learning style; the available equipment; the time and the budget allocated to training and development programme (Acton and Golden, 2003; Giangreco et al. 2010 Nikandrou et al. 2009).

Implementing training and development programmes is the vehicle of training and development process. Training and development programmes should be implemented according to the programme design. Considering the differences between the trainees are necessary for a successful implementation process. Also, one of the most important phases is the evaluation of programme effectiveness. Evaluation is necessary to ensure that training contributes to the success of the business. Therefore, it could be argued that, as long as an organisation pays attention and emphasises training evaluation to identify training contributions, training is viewed by this organisation as an important organisational function that improves or helps to improve organisational performance. The next chapter will provide a theoretical analysis of training and development in Arab countries and some developed counties. Different issues will be highlighted in the chapter, including the problems and obstacles facing training and development that influence training and development practices. Moreover, training needs assessment, programme design and evaluation of training and development in Arab and other countries are reviewed.

Chapter 3: Training and Development: A Theoretical Analysis

3.1 Introduction

The subjects of training and development have received relatively little attention from researchers in Arab countries, especially in Libya, with most of the existing training and development literature is written mainly in the context of industrialised countries. With this dearth of literature, the researcher attempts to review the existing and available literature on training and development to describe the theoretical framework of this study. The purpose of this chapter is to achieve two main objectives: 1) to explore the current literature about training and development, and 2) give a general picture about training and development which can be used to develop the researcher's theoretical framework. This review of literature provides the ability to be familiar with the phenomenon under investigation.

It is very important to emphasise that the main role of the literature review chapter is to enhance the researcher's sensitivity to the phenomenon being studied without any intention of allowing it to create assumptions, discover gaps or direct the research (Strauss and Corbin, 1990; 1998; Parker and Roffey, 1997; Lye et al, 1997). Therefore, this chapter was prepared in accordance with the researcher's objectives. The theoretical analysis (literature review) chapter was created in two different stages. The first stage started before beginning the fieldwork and directly after determining the phenomenon to be studied and the related methodology. During this time the researcher explored the literature which seemed to be relevant to the phenomenon

under investigation without focusing on a specific area within it. The researcher looked from a broad perspective at the subject of human resources development in general, the importance of training and development, the situation of the training and development in Arab countries.

The second stage began after the completion of the fieldwork and data analysis. The researcher started to be very selective about the literature which was relevant to the research objectives. Then, the researcher attempted to explore the relationship between the research objectives and the developed literature in order to confirm findings (Strauss and Corbin, 1998). This chapter aims to set the research problem in its academic context by reviewing the research literature on training and development, and includes three main sections. The first section will discuss the current situation and practices of training and development in developed countries. Different issues will be highlighted in this section, including the main problems and obstacles facing and influencing training and development practices, the training needs assessment, programmes design, and evaluation of training and development. The second section will discuss and reviews the current situation and practices of training and development in Arab countries, identify and explore the main problems and obstacles, training needs assessment, programme design and evaluation. The third section summarises and discusses the training and development process in both regions (industrialised and Arab countries), followed by a short conclusion in the final section.

3.2 Training and Development; Current Policies and Practices in Industrialised Countries

Human resources are without doubt one of the most important assets of any organisation. Industrialised countries have paid considerable attention to human resources development activities as they recognised the importance of this process. Human resources development activities have become powerful contributors to the achievement of the strategic business objectives. Training and development is responsible for creating a well-trained, qualified, capable workforce, which is responsible for increasing the overall organisational performance, through improving job performance.

3.2.1 Training Needs Assessment

This stage is very important for designing and evaluating any training programme. It concerns determining the gap between what is happening in the organisation and what is supposed to happen in terms of people's behaviour according to their knowledge, skills and attitudes. The objective of this stage is to collect and analyse information in order to determine what is being done and what should be done in the future. Information is collected from organisational, operational (task) and individual levels and analysed.

In one UK local authority, Rees and Porter (2004) found that the training manager instituted a training needs analysis of staff, whereby employees were encouraged to identify their perceived training needs. These needs were not linked to the need for performance improvement and organisational priorities. This open-ended approach to

needs analysis meant that the volume of needs identified was so great that it could not possibly be met and was ignored. As well as the analysis proving to be a waste of time, the role of the training function was devalued and employees' expectations were unfulfilled.

Furthermore, Rees and Porter (2004) affirmed that in the identification of training needs, care needs to be taken to establish realistic priorities and to recognise the potential between individual aspirations and organisational needs, since the way in which employees wish to develop themselves may not coincide with the future plans of the organisation. Moreover, not all employees have a realistic assessment of their actual needs. For example, Sutherland (2009) conducted a study to examine the amount of training received by employees; and the extent to which individuals are dissatisfied with the training they receive in the UK and found that 25 percent of employees were dissatisfied with the training received. Furthermore, more than half of all employees felt that their skill levels were higher than those required to do their jobs. By examining the factors which explain employee dissatisfaction with the training received, it is possible to obtain that the ways in which employees are selected to be trained mostly do not include any communication with the employees themselves. Thus, training needs assessment is subject to the views, assessment and experiences of bosses. Therefore, without employees' views, the objectives of the training programme may be the opposite of what it should be and fail to meet the employees' needs.

3.2.2 Evaluation

The evaluation stage aims to collect all necessary information as a feedback to correct and develop a training programme, to control the whole programme's stage and to ensure that training objectives are met and are consistent with the prepared plans. However, this stage in any organisation is the hardest and the most difficult task in the training cycle. Tennant *et al* (2002) argued that there was general agreement about the importance of evaluating training and development programmes, but although most of the respondents claimed to attempt it, it was not considered a priority by management. In addition, Tennant *et al* (2002) found that there was a lack of evaluation skills to the person responsible for evaluation process. Also, Tennant *et al* (2002) recommended that measurement of achievement be considered concurrently with the training programme.

Measurements should also be carried out during the actual training to allow the training provider to respond to the trainee's needs. Moreover, after completion of the training programme, three additional steps are recommended. They are: immediate test which should be done as soon as the course finishes; intermediate test which should be done when the trainees return to their jobs; and ultimate test which should be carried out after an appropriate time has elapsed in order to measure the improvement of the skills and behavioural changes (Tennant *et al*, 2002).

Moreover, Tennant *et al* (2002) mentioned other barriers affecting training and development process such as: resource and time limitation; lack of management ownership of the training and development programmes; the absence of evaluation skills; inadequate definition of training course aims and objectives; lack of top

management commitment to a continuous training and development programmes; dishonesty by employees in the analysis of training needs; and employees being too busy in their job to be interested in leaving it for training.

3.2.3 Problems and Obstacles

A study by Jameson (2000) that aimed to examine the training practices in small tourism and hospitality firms among a sample of 4,331 small firms in the UK revealed that there was only 11 percent of small tourism and hospitality firms that had a formal written training plan, and only 12 percent of them had training budgets. Jameson (2000) concluded that the training in small hospitality firms is largely carried out on an informal basis. Another study by Ironside and Seifert (1999) focused on training-related issues in French, Finnish and UK health services. They found that most organisations in these countries face various problems and obstacles, as follows:

- Very little pre-work training is provided.
- Very little training for new entrants and generally little done for induction.
Poor links between induction training and individuals' work experience.
- Unqualified staff have insufficient financial incentive to gain qualifications.
- More staff have very limited training opportunities, including the increasing proportion of staff on part-time and/or short-term contracts.
- Lack of funding to maintain salary during training, especially when training is not directly related to the current post.
- Employers do not have a specific training budget.
- Employer concerns that employees may leave after training.

- Need for a multi-skill approach to training, including knowledge skills, work skills and life skills.

Moreover, Tennant *et al* (2002) conducted a study of UK-based manufacturing companies to identify current evaluation methods, and to identify the predominant barriers to the implementation of effective training programmes, found that the UK manufacturing companies had not really grasped the true value of training and tended to focus only on the associated costs. They summarised the problems of training and development programmes as follows:

- Poor quality training programmes.
- The context of the training is not relevant to normal working processes.
- Organisations fail to link training programmes with their business plan.
- Employees are not motivated enough to attend training programmes.
- The period of training is not suitable, being either too short or too long.
- Sending inappropriate persons to the training programme.

3.2.4 Factors Affecting Transfer of Training

The objectives of all training and development programmes are to reduce knowledge and skill gaps, but for these to be met, the best possible conditions must prevail, and those factors that negatively influence training and development success must be properly appreciated. The transfer of learned knowledge and skills from instructional programme to the workplace continues to be an area of concern for human resource development researchers and practitioners and one of the most critical issues facing the industrialised countries in the field of human resources development (Hawley and Barnard, 2005).

The main types of factors emerged from the literature reviewed, these being: trainee related factors that were classified as motivational and ability factors, and environmental related factors that were classified into job related and organisation related factors.

- **Trainee Related Factors**

The trainee related factors were classified by Elangovan and Karakowsky (1999) as falling into those associated with the trainee's motivation and those concerned with the trainee's ability. Motivation is the trainee's desire to use what is acquired during the training and development programme, on the job (Noe, 2005), but such desire is variable. Cheng and Ho (1998) have suggested that trainees with low motivation towards training may have little intention to apply what they have learned on their jobs. In the same manner, Cheng and Ho (2001) have examined job and career attitude on learning motivation. One of the main findings was that there was a strong effect of learning motivation on the transfer of training.

However, Robotham (2004) stated that effective learning is a function of the interaction between, and the inter-dependence of, three groups of factors:

- Organisation-centred factors; such as methods of assessment, nature of the programme curriculum, institutional culture, size of the training group and conception of learning.
- Trainer-centred factors; such as the trainer's training style, and motivation, degree of learner autonomy, nature of knowledge in relation to previous

knowledge, methods of training, nature of the learning environment, degree of learner involvement in the learning process and conception of learning.

- Trainee-centred factors; such as the trainee's motivation, learning style, level of anxiety. Learning skills, learner self-confidence, approach to learning adopted by the learner, previous knowledge and conception of learning.

Therefore, training motivation may be an influential factor affecting transfer outcome (Holton and Baldwin, 2003). Elangovan and Karakowsky (1999) identified five key elements which might affect the trainee's motivation to transfer the skills and knowledge to the job setting. These are the perceived relevance of the training, the choice exercised by the employee in attending the training, the expectations held about the outcome, the degree of self-efficacy possessed by the trainee and the level to which the training is to be used on the job.

In respect of the perceived relevance or importance of training programmes, this is known to significantly affect the motivation to transfer training. Holton and Baldwin (2003) stated that trainees who value the training are more likely to effectively transfer the training than those who are not. An employee who considers the training irrelevant to the job will assign less time and efforts to learning and applying the new skills (Elangovan and Karakowsky, 1999). A study in Hong Kong by Cheng and Ho (1998) that aimed to measure the training value among a sample of 155 respondents revealed that there was a strong correlation between training value and training transfer outcome. Cheng and Ho (2001) concluded that trainees with high commitment to their career pay more attention to learning and the learning content since they have a desire to improve their job performance. Therefore, career commitment has a strong impact on training motivation and transfer of training.

Further, after their statistical analysis, Cheng and Ho (2001) found that training motivation and career commitment were significant predictors of training transfer.

Self-efficacy represents the belief that one can master the acquired skills and knowledge (Noe, 2005), and trainees who lack this quality will expend less effort in transferring training (Elangovan and Karakowsky, 1999). Employees with higher perceived self-efficacy to apply the new learned skills and knowledge may be more likely to transfer these skills and knowledge than those with a low level of self-efficacy (Elangovan and Karakowsky, 1999; Holton and Baldwin, 2003).

Regarding trainee's ability Elangovan and Karakowsky (1999) stated that ability related factors are those that affect the aptitude of the employee to apply the acquired skills and knowledge during the training programme to their jobs, and include the ability to actually learn on the training programme and the separate ability of being able to reproduce what is learned in the programme to the work situation.

In their research Donovan *et al* (2001) applied Holton's model to learning transfer in the number of companies. The learning transfer system inventory was developed by Holton *et al* (1999) to practically assess factors affecting the transfer of training to the workplace. A sample of 158 respondents completed the inventory and the researchers found that some of the factors referred to the transfer of training in the organisation in general and some to the specific training programme. Attitudes, preparation and the transfer climate may differ between different types of training such as management versus technical training.

Employees who learn and retain the skills and knowledge during the training programme are better prepared and able to transfer training than those whose skills

acquisition is low. Therefore, skills and knowledge gained from training positively affect the ability to transfer training (Elangovan and Karakowsky, 1999; Holton and Baldwin, 2003). Moreover Elangovan and Karakowsky (1999) found that knowledge acquisition during training is affected by various factors such as training methods, training ability, training motivation to learn and training history. According to Elangovan and Karakowsky (1999) situation identification is the generalisation and application of the skills and knowledge to the actual job. The identification or recognition of situation where the new skills and knowledge are relevant and useful, and can applied, is one of the main factors affecting the transfer of training. Therefore, Elangovan and Karakowsky (1999) argued that the ability of the trainee to identify appropriate situation for the application of learned skills is a fundamental element of successful transfer of training. Cheng and Ho (2001) observed that job identification is psychological identification with one's career and job. Moreover Noe (2005) divided the variable of situation identification into near and far transfer as follows:

- Near transfer refers to the trainee's ability to apply learned skills and knowledge exactly to the work situation, provide that the training programme is based on identical elements in terms of relationship between actions, behaviour or knowledge important in the programme.
- Far transfer refers to the trainee's ability to apply learned capabilities to the work environment even though the work environment is not identical to that of the training course.

From the above discussion, it can be seen that trainee motivation that includes the perceived importance of training, choice in attending training, outcome expectation, and self efficacy; and ability which includes knowledge acquisition and utilisation,

and situation identification, are both vital to enhance the success of the training and development programmes.

- **Environment Related Factors**

Environmental factors refer to various aspects of the employee's work place, which either facilitate or impede effective transfer of training and development (Elangovan and Karakowsky, 1999). Environmental factors are classified into job related factors and organisational related factors. Job related factors refer to those factors pertaining to the specific job and its setting such as:

- Job requirements – the job demands play a major role in the transfer of training and development. A trainee can transfer the newly acquired skills or knowledge only if the job presents opportunities for their application. In other words, if the scope of the job is narrow, it will restrict any transfer of newly taught skills. Therefore, it is important to ensure that the job does not impede the transfer of training and development (Elangovan and Karakowsky, 1999).
- Norms and group pressure – in addition to ability and motivation, conformance to standards and norms also affects productivity and performance of employees (Elangovan and Karakowsky, 1999). Also, Elangovan and Karakowsky (1999) argued that training for skill improvement and higher productivity will be ineffective if the trainees conform to group norms which discourage the transfer of learned skills to the job. On the other hand, conformance to group norms, which support skills improvement, will enhance effective transfer of training and development.

- Contextual similarity – this factor as stated by Elangovan and Karakowsky (1999) refers to the difference between the training and development context and the transfer context. This in turn implies that the trained employee would face an unfamiliar environment, and as a result, training and development will be perceived as inapplicable or inappropriate. Therefore, a difference between training and development and the applied context will restrict the transfer of training and development. In this respect, Vermeulen (2002) and Holton and Baldwin (2003) stated that the context of training and development should match the trainee's job needs.
- Supervisory support – this takes the form of encouragement to use newly acquired skills and knowledge, assistance in identifying where the skills will be applied, guidance in the application of these skills, and provision of feedback (Elangovan and Karakowsky, 1999). The researchers concluded that employees who received support and encouragement from their supervisors were highly motivated to apply the newly learned skills and knowledge.

Organisation related factors are those concerned with the entire organisation (Elangovan and Karakowsky, 1999) and include:

Reward System

The organisation's reward system has a major impact on the transfer of training and development (Elangovan and Karakowsky, 1999). Cheng and Ho (1998) found that trainees can be motivated to apply the newly acquired skills and knowledge if they are provided with rewards that are perceived by them as valuable. In the UK, Axtell *et al* (1997) conducted a study aimed to examine the initial sustained transfer of

interpersonal skills training to the work place. The questionnaire was distributed three times; immediately after the training programme; after one month of the training programme; and after one year from the end of the programme. The researchers concluded that for the sample represented (immediately after the training course), some relationships existed between management support, autonomy, relevance, motivation and self efficacy factors. While trainees' perceptions of the relevance and usefulness, and their motivation to transfer skills were the key variables in determining the level of transfer, they believed they had achieved much progress in their jobs after one month. The third questionnaire analysis revealed that the most important factors affecting training transfer were the degree of autonomy in the respondents' jobs and their original motivation to use what they had learned. The study also revealed that the key factors affecting transfer after one year were slightly different from those after one month. However, Axtell *et al* (1997) mentioned that the environmental factors measured (managerial support and the control of autonomy) appeared to have no effect during the initial stage, which was opposed to the researchers' predictions.

Organisation Culture

The organisational culture that fosters employee development and growth, favours improvement and progress, and encourages employee initiative, will have a positive effect on transfer of training and development. On the other hand, one that is more passive and unenthusiastic to change will not encourage the effective transfer of training and development (Elangovan and Karakowsky, 1999). Vermeulen (2002) conducted a study in the Netherlands revealed similar outcomes, highlighting the need for a number of challenges in the design of training and development programmes to

be met. These challenges are to do with getting the desired results from training making it relevant and providing suitable supportive materials and coaching.

3.2.5 Summary

From the above it can be concluded that industrialised countries have paid considerable attention to human resources development activities as they recognised the importance of this process. In spite of that they still facing many problems and obstacles influencing training and development practices, the training needs assessment, programmes design, and evaluation of training and development. Moreover, there are some factors that negatively influence training and development practices in these countries. The most important issue is the transfer of learned knowledge and skills from instructional programme to the workplace. It is continues to be an area of concern for human resource development researchers and practitioners and one of the most critical issues facing the industrialised countries in the field of human recourses development. The main factors are trainee related factors that were classified as motivational and ability factors, and environmental related factors that were classified into job related and organisation related factors.

3.3 Training and Development; Current Policies and Practices in Arab Countries

Arab countries have recently paid considerable attention to training and development as they recognised that achievement of modernisation, development, organisational effectiveness, competitiveness and globalisation required, in addition to the capital

funds and government commitment, a well-qualified and skilled workforce. The insufficient supply of competent, educated and trained people is one of the most critical features of less developed countries, including Arab countries, which has led Arab governments and businesses to pay more attention and efforts to human resource development (Al-Madhoun and Analoui, 2003). After their independence, all Arab countries suffered from various problems relating to the lack of talented, competent, well-educated, efficient and trained people and the lack of professional and managerial staff, which have become critical factors of development in these countries. According to Atiyyah (1993) human resource development in the Arab countries was at the low commitment low activity phase due to the lack of recognition of its contribution to improving organisational performance. The lack of well-qualified, educated and trained people, in addition to the lack of professional managerial staff, has affected development projects and activities negatively. As a result of the lack of competent people, individuals with minimum qualifications and experiences occupy very professional and important positions.

Regarding training and development in Arab organisations and sectors, many researchers have found that there is a lack of comprehensive training plans in the short and long term. There is no systematic and comprehensive training needs assessment process, no determination of the levels and types of the required training programmes, a lack of effective training programme and a lack of top management and line managers commitment and concern. Al-Madhoun (2006) argued that Palestine organisations consider the importance of human resource development as a means of ensuring the supply of a well-qualified and trained workforce needed to face challenges and changes in Palestine. Therefore, Palestine public organisations apply many administration development programmes in co-operation with foreign and local

expertise. However, these processes and development programmes face many obstacles and barriers, as in any other Arab countries, such as malfunctioning and inefficient current training and development management. Al-Madhoun (2006) conducted a study to discuss the obstacles facing training in Palestinian organisations and found that in terms of training needs assessment there were no clear guidelines or policies and procedures for determining the training needs in all of the surveyed organisations. Also there were no specific follow-up procedures for evaluating the effectiveness of training and development programmes in all of the surveyed organisations.

Al-Athari (2000) conducted a study that aimed to explore the training and development activity in public and private Kuwaiti organisations and to investigate the factors that prevented organisations from using multimedia based training as a training delivery method. He found that most organisations in both sectors had a clear human resource development strategy and they had established strong relations and links between their human resource strategies and their overall organisation strategy and objectives. He also found that the majority of the organisations assessed their employees' training needs but there was a lack of effective evaluation. The training delivery methods used were conventional and did not involve the trainees in the learning process. Also, he concluded that there was a set of factors which effected training in Kuwaiti organisations and could lead to success.

Albahussain (2000) conducted a study that was aimed to explore the nature and the extent of training and development provision within the medium and large-size private manufacturing organisations in Saudi Arabia. The study aimed also to describe and discuss the extent to which such organisations had been applying a systems

approach to training and development, both in terms of its design and implementation. The findings revealed that, although attitudes towards the value of training and development had been generally favourable, in practice, in the majority of cases, training and development was under-resourced, unplanned and patchy, hardly the ideal features of a systematic model of training and development that would enable private manufacturing business to successfully meet the challenges of the future ahead.

Al-Ali (1999) conducted a study that was aimed to disclose the policies and practices of training and development within Kuwaiti government and private organisations. The major findings of his study were that the majority of the investigated organisations did not have a formal training and development system, training and development programmes were still carried out on a piecemeal basis rather than a systematic long-term policy. There was an absence of a systematic organisational training needs analysis, use of conventional training methods and lack of effective procedures for training and development evaluation.

In a study by Al-Rasheed (1996) that was aimed to examine which Jordanian managers understood the higher goals of their jobs and related this to the pattern of motivation and job satisfaction. He found that Jordanian bank managers translated the relevant concepts and theories in similar ways to their original in the west, without taking into consideration the issues of cultural fit. He also found that there was a lack of training needs assessment, a wide use of conventional training method, and a lack of effective procedures for management training and development evaluation.

3.3.1 Training Needs Assessment

Abdalla and Al-Homoud (1995) found that there are no specific or systematic practices or procedures for determining training and educational needs due to the lack of reliable information, turbulent political, economic and rapid changing social environments. Albahussain (2000) found that over half of large-size organisations and three-quarters of all medium-size organisations in Saudi Arabia do not conduct training needs assessment regularly. Al-Madhoun (2006) conducted a study to discuss the obstacles facing training and development and found that in terms of training needs assessment there were no clear guidelines or policies and procedures for determining the training needs in all of the surveyed organisations.

Other Arab researchers (Bahar et al., 1996; Abdalla and Al-Homoud, 1995; Abdalla et al. 1998; Agnaia 1996) argued that the lack of job descriptions, clear performance evaluation and the approach used for assessing the development needs of employees are impressionistic and generalised rather than systematic. Agnaia (1996) argued that the unsystematic training approach occurs for two reasons: training programmes are not based on identified needs which have led to difficulties in evaluating these programmes because economic, political and social factors provide some constraints on them. Arab organisations rely on different sources to obtain the information required to determine training needs mainly on supervisors, trainees themselves, but less on task or job requirements, description and manpower planning.

Durra (1991) asserted that the objectives of training needs assessment in Arab organisations are to find suitable trainers to develop and implement training programme, to focus the programme on particular issues, to set up the programme

objectives and measured evaluation criteria, to choose strategies to solve problems and to determine the required materials and equipments. Agnaia (1996) found that the ways in which employees are selected to be trained mostly do not include any communication with the employees themselves. Thus, training needs assessment is subject to the views, assessment and experiences of bosses and supervisors. Therefore, without employees' views, the objectives, design, approach and content of the programme may be the opposite of what it should be and fail to meet the employees' needs. Moreover, Agnaia (1996) argued that assessing training needs by performance records by bosses may not reflect the actual situation because this assessing is subject to family, nepotism, kinship and personal relationships between the supervisors and employees.

What is more, training and development in most Arab organisations is considered as a stand-alone process or, as was pointed out in Agnaia (1996), training is considered as a concrete event, rather than part of an overall organisational improvement programme or process. Agnaia (1996) also argued that few employees are selected on the basis of greatest need because bureaucratic policies and patronage play more important roles. Agnaia (1996) found that managers who are responsible for assessing training and development needs are, usually, not specialists and they lack the necessary skills and knowledge for performing their tasks. Employees are sent to training and development programmes without proper training needs analysis being conducted. Employees try to obtain opportunities to attend training and development programmes regardless of whether they need these programmes or not in order to get a training allowance, or because these programmes are an essential basis of the promotion process, rather than being motivated to attend training programmes to improve their performance.

It seems from the review of literature that more attention should be given to training needs assessment, that determines the gap between what is happening and what is supposed to happen in order to maximize organisational performance. Since other training stages, such as setting training objectives, designing the programme, implementation and evaluation, depend on the training needs assessment stage, it is difficult to carry out any of these stages successfully without selecting and determining who needs training in the organisation, based on the organisation's and employees' needs and requirements. The selection of trainees in Arab countries is not based on the employees' real performance needs and based on their personal and social relationships. The information regarding training needs assessment is not collected from different sources, as was mentioned previously, such as interviews, surveys, career planning, performance appraisal record or report analysis, and so on (Al-Ali, 1999; Abdalla and Al-Homoud, 1995; Agnaia, 1996; Al-Madhoun, 2006).

3.3.2 Programmes Design and Methods

The programme design stage relies on adequate and sufficient information resulting from training needs assessment stage. In this regard Attiyah (1993) recommends that training and development specialists should pay attention to many sensitive cultural topics that cannot be freely discussed, such as politics, religion and cultural belief. Therefore, it could be argued that the lack of systematic training needs assessment leads to ineffective programme design. More effort and attention should be taken into account when transferring western managerial theories and practices relating to management training and development to fit with local condition and culture. Albahussain (2000) found that more than half of large-size and medium-size

organisations in Saudi Arabia do not have a training and development unit, that is mean it is difficult to envisage that many of them would be in a position to implement training and development in the systematic way. in general, the overall picture of training implementation within the majority of organisations in Saudi Arabia characterised by irregular and lack of planning.

With regard to training methods mostly used in Arab organisations, many specialists and researchers found that these methods are so limited; they include lectures and discussions as the most popular used methods, while group discussion, case study and the role play are rarely used (Durra, 1991; Atiyyah, 1993). Durra (1991) argues that little attention is given to pictures, figures, tables and audio-visual technologies in any training programme. Using modern training and development methods is very important and needs to be given more attention in Arab organisations, but these methods, again, must fit the programme objectives, local conditions, peoples' attitudes and Arab culture. Arab organisations should provide updated training via modern methods suitable to the organisations' culture, peoples' attitude, experiences and work environment.

3.3.3 Evaluation

Evaluation is the most important stage of the training process, but the most ignored one in Arab countries' organisations. It is the stage that is most likely to be conducted in an unprofessional manner (Abdalla and Al-Homoud, 1995). In Arab organisations evaluation is rarely found. That is because training is not being seen as an investment to be evaluated. In this regard, Al-Athari and Zairi (2002) conducted an empirical study in Kuwait organisations and found that the minority believed that evaluation is

an important task, while the majority occasionally evaluate their training programmes through questionnaires, observation and performance records. Regarding the evaluation models, they found that most of the surveyed organisations rely on level one (trainee's reaction) of Kirkpatrick's evaluation model when evaluating their training and development programmes.

Moreover, Atiyyah (1993) argues that evaluation methods in Arab organisations are highly subjective and their results have limited impacts on improving the on-going programmes or even designing new programmes. He also argues that the programmes were usually evaluated at the reaction level via questionnaires distributed to the trainees to give their opinions on the quality of instruction, programmes materials, suitability of the training techniques, etc.

Abdalla and Al-Homoud (1995) revealed that there are no specific follow-up procedures for evaluating the effectiveness of training and development programmes, in most Arab organisations the effectiveness of training programmes are evaluated based on the reaction level, instead of focusing on the results of training and the transferred knowledge to the workplace which are considered, according to Kirkpatrick, as the best evaluation systems, and focus on the effects of the application of information and learned concepts on the organisation performance. Also, Al-Madhoun (2006) conducted a study to discuss the obstacles facing training and development in Palestinian organisations and found that there were no specific follow-up procedures for evaluating the effectiveness of training and development programmes in all of the surveyed organisations.

3.3.4 Problems and Obstacles

A number of studies have revealed the following problems and obstacles that Arab organisations face:

- The effectiveness of most training programmes in Arab countries is generally low, due to the inadequate need analysis or assessment, irrelevant curricula and a lack of reinforcement. Moreover, training is not considered an important function to be conducted regularly (Aгнаia, 1996; Atiyyah, 1993; Al-Madhoun, 2006).
- Another significant problem regarding training and development in Arab organisations is that training is considered as a “stand alone” process with no ties or links to other organisational parts of the total development system (Abdalla and Al-Homoud, 1995).
- Organisations normally tend to adopt the training-related-to-cost approach. Thus, they reduce training costs without giving any attention to the quality of the programme.
- The training function is just a group of lectures followed by certificates instead of a complete system and systematic process (Al-Hadad, 1996).
- Insufficient or unclear procedures that organize the training activities in the organisations and training programmes have no clear policies and plans.
- Lack of co-operation from the top management regarding the training activities, especially in matters of facilities, motivation and financial support.
- Lack of co-operation from other departments in the companies, especially in matters of providing information after the trainees return to their jobs,

direction of trainees to appropriate jobs after the training and preparing a report about their performance before and after training.

- In some Arab organisations training time is viewed as vacation or leisure time for trainers who leave their current jobs for the lecture room or a game for fun time. This means that Arab organisations do not consider the strategic importance of training and development functions to achieve organisations' corporate objectives and strategies. However, the effectiveness of training and development functions and programmes depends upon the country's availability of economic, political and social support (Aagnaia, 1996; Al-Madhoun, 2006).
- In fact, training and development is not taken seriously in many Arab organisations, particularly government sectors. Therefore, the benefits of training and development is underestimated or not appreciated (Al-Otiby, 1995).

3.3.5 Summary

From the above it can be concluded that Arab countries consider the importance of human resource development as a means of ensuring the supply of a well-qualified and trained workforce needed to face challenges and changes in their sectors. Therefore, many Arab countries apply many training and development programmes to improve their workforce. In spite of that they still suffer from a lack of comprehensive training plans in the short and long term. There is no systematic and comprehensive training needs assessment process, no determination of the levels and types of the required training programmes, a lack of effective training programme, some training delivery methods used were conventional, and did not involve the trainees in the

learning process. Moreover, inadequate training needs assessment in Arab organisations causes many other problems relating to the programme design. Training methods mostly used in Arab organisations are so limited; they include lectures and discussions as the most popular used methods, while group discussion, case study and the role play are rarely used. Also, evaluation stage is rarely found. That is because training is not being seen as an investment to be evaluated and no specific follow-up procedures for evaluating the effectiveness of training and development programmes.

3.4 Summary and Conclusion

In this chapter, some aspects were discussed which would help to develop the researcher's theoretical sensitivity regarding human resources development. From the above it could be argued that this chapter is one of the most critical parts of this study since it provides theoretical background related to training and development. Therefore, it could be concluded that the rapid change and global competition have caused training and development to be an important organisational strategic function. Human resources development activities have become powerful contributors to the achievement of the strategic business objectives. Training and development is responsible for creating a well-trained, qualified, capable workforce, which is responsible for increasing the overall organisational performance, through improving job performance.

A systematic approach to effective training and development process involves assessing training and development needs by determining the organisational, individual and jobs' needs and requirement. Designing, developing and planning the training and development programme by which objectives and evaluation criteria are

formulated and planned. Many important issues, such as training and development programme content, cost, location and methods should be planned, as well. In the implementation stage, trainees should be convinced of the importance of the programme and the whole programme should be implemented relating to plan and objectives.

The most important stage is the evaluation of programme effectiveness. Evaluation is necessary to ensure that training contributes to the success of the business. Therefore, many things should be taken into account when evaluating training and development programme effectiveness. Measuring the impact of training interventions on organisational performance is not an easy task. In fact, many important issues should be taken into account, such as organisational function interventions and influences, for example: marketing, information technology. Moreover, the outcomes such as employees' behaviour, skills and attitudes change are difficult to measure in short time.

It could be argued that it is important for organisations in Arab countries such as Libya to invest more in people development if they want to compete in international market. The key driver of the organisation's success is people, who should have unique, rare and valuable skills. This emphasises the role of training and development as an important function aiming to strengthen people's skills and capabilities. Training and development helps in creating skilled, motivated, well-trained and satisfied employees who are willing to work effectively and efficiently, reducing the waste of time, materials and mistakes and thereby reducing overall costs. In addition, these competitive people tend to stay with the organisation since their commitment and satisfaction are high.

It could be said that this chapter review most of the attempts conducted to investigate the training and development activities in industrialised and Arab countries. It identifies all the criticisms and problems facing and influence training and development practices and activities. It helps to determine where and how to focus when solving these problems and make these activities more powerful to achieve the strategic organisations objectives. The next chapter discuss the characteristics of the Libyan business environment and the main changes which have taken place in this environment since the independence of the country. Also the Libyan banking sector where this research was conducted is reviewed and its importance for the Libyan economy is highlighted.

Chapter 4: The Libyan Business Environment and the Libyan Banking Sector

4.1 Introduction

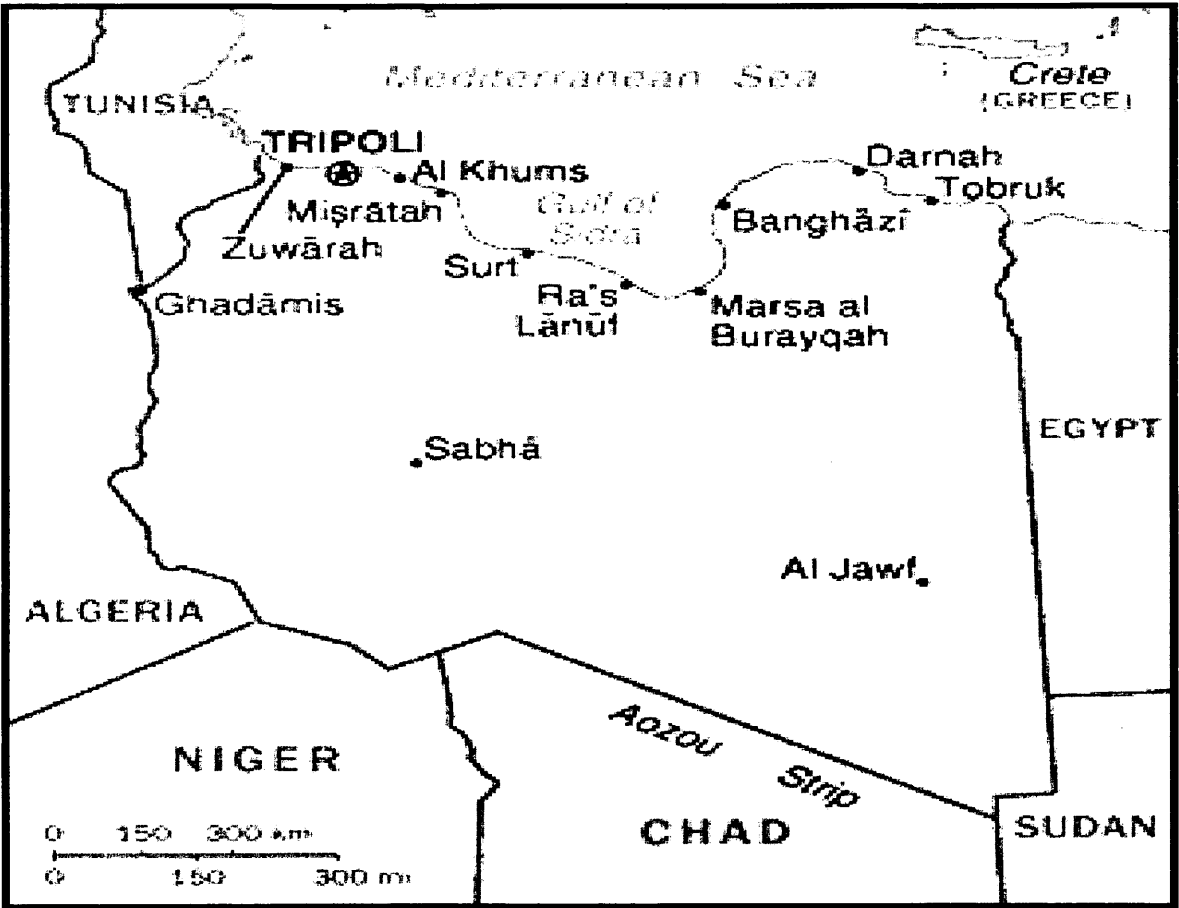
The aim of this chapter is to familiarise the reader with the historical, political, social and economic aspects of Libyan society. Different issues will be highlighted in the following sections, including the geographical and historical background of the country, the main changes in the political and economic systems since independence, the Libyan privatisation programme and the Libyan banking sector.

4.2 Location and Population

Libya, as one of the less developed countries, occupies a strategic geopolitical location in North Africa with a Mediterranean coastline of close to 2,000 kilometres. Libya has frontiers with six Arabic and African countries: Algeria and Tunisia on the west, Egypt on the east, Sudan on the southeast, and Chad and Niger on the south (See figure 4-1). In terms of size it occupies nearly 1,760,000 square kilometres, the fourth-largest country in Africa. It is approximately one-half the size of Europe and seven times bigger than Great Britain. However, 90 per cent of the land is either desert or semi-desert (Bait-Elmal, 1999; Wallace and Wilkenson, 2004). The first official census of Libya in 1954 recorded a population of 1,041,099. Since 1954 regular censuses have been undertaken every ten years and the official census in 2006 recorded a population of about six million people (Central bank of Libya, Economic Bulletin, 2006).

In comparison to its land area, Libya’s population is very small, and it has a high proportion of young people. This population is heavily concentrated in the northwest and northeast costal regions, which contain the two largest cities, Tripoli and Benghazi (Bait-Elmal, 1999). Islam is the state religion and about 97% of Libyans are Sunni Muslims (Wallace and Wilknson, 2004).

FIGURE (4-1): MAP OF LIBYA



Source: Country Analysis Briefs (2005), Libya.

4.3 Historical Background

The words “Libya” and “Libyan” derive from the name of a tribe who lived in North Africa to the west of Egypt and who were known to the Egyptians in the 13th century as the “Libu” (Abuarrosh, 1996). Libya was subject to wave after wave of military invasions and

colonisation by Phoenicians (in around 1000 BC), the Greeks (600 BC), the Romans (96 BC) and the Vandals (431 BC). From the mid 16th century until 1911 Libya was part of the Ottoman Empire (Wallace and Wilknsnson, 2004).

In 1911 Italy attacked Libya and by 1914 when the First World War had started, the Italians held only the coasted towns of Tripoli, Benghazi, Derna and Tobruk. The control over the whole country was established by Italy only in 1934. Following the defeat of the Axis countries (Germany and Italy) during the Second World War, the Italian colonisation of Libya came to an end. The country then remained under the British and French Military administration for almost a decade (1941-1951). On December 24, 1951 Libya was declared an independent united kingdom following the British model with a monarchy under King Idris al-Sanussi. Abuarrosh (1996) stated that Libya was not only the first African state to achieve independence but it was the first state which gained independence through the United Nations.

Because of the severe economic conditions existing in Libya at the time of independence, aid from international organisations and foreign countries was needed. The UN agreed to sponsor a technical aid programme which emphasised the development of the country's agriculture and education systems. Foreign powers, notably Britain and the United States, provided development aid. The aid programmes were a result of allowing the UK and the US to maintain and use military bases in Libya over a period of 20 years starting in 1953. In the light of these agreements, the UK agreed to grant Libya an annual sum of £2.75 million to meet budgetary deficit and £1 million annually for economic development whereas the US agreed to grant \$42 million over 20 years (Wright, 1981). Libya also signed a friendship pact with France in 1955 and a trade and financial agreement with Italy in 1957 (Abuarrosh, 1996). Steady economic improvement occurred but the pace of this development was slow

and Libya remained a poor and underdeveloped country heavily dependent on foreign aid. Higgins (1959. p. 26) stated, *"Libya has great merit as a case study as a prototype of a poor country. We need not construct an abstract model of an economy when the bulk of the people live on a subsistence level, where per capita income is well below \$40 per year, where there are no sources of power and no mineral resources, where agricultural expansion is severely limited by climatic conditions, where capital formation is zero or less, where there is no skilled labour supply and no indigenous entrepreneurship"*.

Wallace and Wilkenson (2004) stated that when Libya was granted independence in 1951, it was one of the poorest and most backward nations of the world. It was relying on agriculture as the main hope for the economic future of the country. Agriculture then employed about 70 per cent of the labour force, contributed about 30 per cent of the Gross Domestic Product (GDP) and provided raw materials for the industrial sector, exports and trade. The average income per person of the Libyan population stood then at the slim figure of 13.90 Libyan Dinars a year, or less than 40 US dollars (Farley, 1971). This situation changed when the oil was discovered in large quantities in 1961 (Wallace and Wilkenson, 2004).

On September 1, 1969, the political system of the country was changed by the 1969 revolution. The first several years of the new government were consumed with efforts to rid the country of corruption and symbols of western imperialism. Consequently, the US and the UK military bases were evacuated in 1970 and the remaining descendants of Italian colonists were expelled (Anderson, 1987). In 1977, the official name of the country was changed to "The Socialist People's Libyan Arab Jamahiriya". Since then the Socialist People's Libyan Arab Jamahiriya developed strong relationships with the former Soviet Union, tensions grew with the West, especially the US and the UK. These unpleasant

relationships reached their worst point when the US, UK and the UN imposed different sanctions on Libya in the 1980s.

4.4 Political System

The political system in Libya between independence in 1951 and the revolution in 1969 was a representative organisation of the population in the Parliament, composed of the Senate (upper House) and the House of Representatives (lower House). The Senate consisted of twenty-four members; eight of whom were appointed by the King, while the others (sixteen) were selected by the legislative councils of the provinces. The House of Representatives, unlike the Senate, represented Libya at large. Zuhri (1978) stated that one deputy would be elected for every 20,000 residents. During the period of independence tribalism grew rapidly. To exercise political rights in a country where illiteracy dominated, and where no political parties were well organised, the electors were required to turn to their original tribes. The Representative seats, Ministers and officials were available just to the rich members of tribes and to the powerful families (Zuhri, 1978).

After the revolution on 1st September 1969, the Arab Socialist Union was established as a political organisation to encourage the people to participate in local politics. To eliminate class differences peacefully, to work for the recognition and acceptance of socialism and to achieve social justice under the socialist economic system were the major goals of the Arab Socialist Union. However, it failed to achieve its aims of providing mass participation and connections between the people and the new government (Abbas, 1987). Moreover, since the political structure was based on family and tribal links, the Arab Socialist Union was seen as inappropriate for the widely divergent traditions and culture in Libya (Zuhri, 1978). Therefore, this union ceased to operate after a few years.

On 15th of April 1973 the Libyan politics, society and economy were changed again by launched a new popular revolution. The revolution was aimed at combating bureaucratic inefficiency, addressing the lack of public interest and participation in the sub-national governmental system, and tackling the problems of national political co-ordination (Bearman, 1986). Following the announcement of the Popular Revolution, people were encouraged to form their own Basic People's Congresses and Popular Committees throughout the country, in towns, villages, and even in schools, colleges and workplaces (Vandewalle, 1998).

During the 1970s, Gathafi's political economic theorising crystallised in the publication of the Third Universal Theory in the Green Book, in which he promoted the design of an egalitarian and socialist society. Vandewalle (1998; 91) stated that "The Green Book clearly represented a turning point for the Libyan revolution: it was the guideline to a new political and economic system for the country". The Green Book was divided into three parts. The first part (1976) was, "The solution to the problem of democracy". The second part (1978) was "The solution to the economic problem". Finally, the third part (1979) was "The solution to the social problem". The first part suggests that in a direct democracy, people must participate in the decision-making process through "The People's Authority"; the authority of the people, as outlined in the Green Book, is reflected in the Libyan people's ability to exercise their freedom through the Basic People's Congresses, Popular Committees and the General People's Congress. The second part of the Green Book relates to a solution to economic problems. The main concern in this part is that political freedom is meaningless without economic freedom, but the latter can only be achieved through socialism.

Many social and economic changes occurred in the country after the publication of the second part; in particular, investment in private sector housing and the private building industry was ended, while wage earners were to be treated as partners through the institution of mandatory profit-sharing and workers' committees. The change in the way in which the reward for labour was characterised encouraged workers to become involved in the day-to-day management of the enterprise in which they worked (Abuarrosh, 1996). The final part of the Green Book attempted to offer a solution to social problems, and dealt primarily with questions relating to social equality. As a result of this philosophy, the Government undertook many initiatives such as the nationalisation of banks, insurance and petroleum marketing companies, as well as the placing of restrictions on the activities of foreigners in commerce, industry, and the creation of public enterprises (Abuarrosh, 1996).

Further changes were initiated in 1977 when both legislative and executive powers transferred to the people. Libya was divided into several small communities, each with its own legislative group (Basic People's Congress) and an executive team (people committee). The basic congress and the people municipal congress were expected to debate issues ranging from the maintenance of local roads to international issues. The various issues debated at both levels were later grouped together in the melting pot of the General People's Congress, where they became national policy (Wallace and Wilknsn, 2004). Vandewalle (1998; 83) summarises the process of change in the structure of Libyan political and economic systems during the 1970s as follows:

"Economically and politically, the country had been thoroughly transformed by the end of the revolutionary decade (1973 - 1982): the state institutions had been put directly into the hands of the people through a system of political congress and committees, and all private

economic activity had been outlawed..... The creation of this congress-and-committee system closely dovetailed with the ideological and political inclination of the regime”.

Commenting on this experiment Al Shukry (1996) stated that non-participation and abstention were the main problems which faced its implementation.

4.5 Economic System

In an attempt to shed more lights on the Libyan economy, the following sections intend to give an idea of economic development and the background in which government economic policies developed.

4.5.1 Prior to the Discovery of Oil

Prior to the discovery of oil in 1959, Libya was one of the poorest countries in the world (Higgins, 1968; Wright, 1981). The population at that time was 1.5 million. There were only two working hospitals in the whole country and a low number of small medical units. Electric power could be found only in major cities and water and sanitary facilities were limited (Wallace and Wilknson, 2004). The World Bank sent a team in 1950 to assess the Libyan socio-economic situation. The team’s report was published in 1960, concluding that: *“Libyans’ live a very simple life, their food is simple, their necessities are limited and their knowledge of twentieth-century technology very limited. The majority are farmers who consume most of their production. Their living quarters are very poor, and the majority live in shacks, hamlets or caves. They use donkeys, horses and camels for transportation”* (The International Bank for Reconstruction and Development, The Economy of Libya, 1960; 1).

During the Italian and then the British rule (1911-1951), the country's economy suffered from a deficit in the budget and was based on the limited productivity of a primitive agricultural sector and a few small industries (Aghaia, 1996). These deficits were reduced and at times, as in the mid 1950s, were turned to surplus by grants, expenditures and investment of foreign countries. From 1911 to 1942, deficits were offset by the Italian government (Farley, 1971). From 1943 to 1952, deficits were paid by the American and the British money in return for the use of military bases in Libya and the aid from the UN and other organisations.

In 1959, a commercial quantity of oil was discovered by Esso, a US petroleum company, in the Zelten field and production began in August 1961 (Wright, 1981; Vandewalle, 1998). The discovery and exporting of oil was the turning point in the Libyan economy, and its economy gradually improved. Since then, annual personal incomes have increased, the standard of living has improved and the Libyan economy has changed from being a primitive agricultural economy into one based largely on petroleum and its derivative products.

4.5.2 Post-Oil Discovery

Following the discovery of oil in commercial quantities and after the production in the fields started in August 1961, the Libyan economy grew rapidly and moved the country to the forefront of world economies. The standard of living had risen as a result of the increasing number of foreign oil companies and the establishment of new Libyan economic activities. Libya had become more independent from the influence of foreigners and the need for direct subsidies declined. Sanger (1975: 413-414) describes how oil revenues developed Libyan society and improved its economic development, as follows:

"The cities had become construction camps with noisy bulldozers levelling buildings and cement trucks pushing through the traffic jams with loads for the ever-hungry building cranes which dominated the skyline. In and around the chief cities and towns rose block after block of new housing ... Hospitals of standard design were being built in half-dozen lots ... The giant campuses of the University of Tripoli and Benghazi were the most impressive in Africa ... Above many side streets and garden suburbs the tall chimneys of new factories rose behind the minarets, their dark smoke clouds proof of the boom in cement, reinforcing wire, plumbing fixtures, textiles, food processing and, most successful of all, the drive to expand electricity".

The investment in the oil industry brought surplus to the country's economy in general. By 1968, Libya was the second largest oil producer in the Arab world. During the years of the 1960s and 1970s, GDP had rapidly risen as the oil earnings began to flow; it had increased from LD 155.5 million in 1962 to LD 1,586.5 million in 1971 and to LD 10,553.8 million in 1980 (Nasia, 2003). This enormous increase during the 1970s might be attributable to the increase in the oil prices in 1973. This can be observed through the increase in the amount of money gained from the oil and natural gas activity, which had risen from LD 922.7 million in 1971 to LD 6,525.7 million in 1980. The GDP later decreased during the 1980s, to reach LD 6,960.7 million in 1986, due to the deterioration of oil prices in the early 1980s (Nasia, 2003). After the start of the twenty first century, GDP increased sharply due to the sharp increase in the GDP from oil sector. It might be also attributable to the suspension of the UN sanctions against Libya on 4th of April 1999.

During the period 1951-1969, the Libyan economic system was mainly capitalist. Private ownership existed with minimum governmental interference and public ownership was in sectors which required large-scale investment. Since the revolution in 1969, the Libyan

economy became an economy based on the ideology of socialism as well as state involvement in the organisation and management of the economy. The state ownership structure of businesses started in the early 1970s, gained momentum in the mid-1970s and reached its peak in the 1980s when most of the economy became owned or controlled by the State. Nasia (2003) stated that, in 1978, a large number of private companies were taken over by workers' committees. One year later, all direct importing companies were transferred to public corporations and the issuing of importing licences was stopped. In 1981, the government cancelled all licences belonging to shops selling food products, clothes, electrical goods, household appliances and spare parts. As an alternative, retail activity came under the control of the state-administrated supermarkets. From the 1990s to date, some private companies have emerged and started to operate in Libya. This change was largely a result of the crises which the Libyan economy faced in the late 1980s and early 1990s when economic conditions and standards of living worsened as world oil prices slumped. In this regard, Fisher (1990) stated that during the 1980s, the Libyan economy was deeply affected by the low price of oil. Furthermore, Mahmud and Russell (1999) argue that the trade ban and economic sanctions introduced by the USA government against Libya in 1981 and 1986 respectively have resulted in an end to American imports of Libyan oil and a withdrawal of US companies, which were working in Libya. Mahmud and Russell (1999) state that the US embargo and sanctions resulted in a decline in the production capacity of crude oil due to the fact that most Libyan oil fields consist of ageing American-made equipment and the operating companies were unable to obtain spare parts.

In response to these crises, the state introduced a series of liberalisation measures, which gave a significant role for the private sector. Vandewalle (1998) stated that the overall goals of these measurements were:

- To cut public spending.

- To gradually withdraw subsidies which contribute to such spending.
- To promote private sector initiatives in different sectors.

Since 1992, Libya has started the policy of privatisation for its state owned (public) companies as well as encouraging the establishment of private companies. The overall aim of this policy is:

- To reduce public spending and gradually withdraw government subsidies.
- To encourage private initiatives in different sectors (Saleh, 2001).

In order to enhance and regulate the private sector activities in the national economy, the government passed Act number 9 in 1992. The act permits the establishment of private business activities owned and managed by families and individual entrepreneurs. The act also allows the sale of publicly held companies to private investors, which has resulted in the emergence of some private companies. According to this Act, the state wants to transfer its role from sole owner to that of a shareholder with limited liability and limited responsibility, or fully privatise the state owned companies. In this regard, in the industrial sector, the ownership of 147 productive units were transferred to employees as part of the quasi-privatisation process (Saleh, 2001).

In 1997, the State issued Act number 5, which aimed to encourage foreign investments in the Libyan market. Saleh (2001: 17) stated: *“In particular, the Act encourages foreign investments in areas that would result in transferring modern technology, variation of income resources, and contributing to the development of the national products so as to help in its entry into the international markets”*.

In 2004, the International Monetary Fund sent a team to assess the Libyan economic and political situation. The team published its report in January 2005 concluding that:

- The Libyan economy remains largely state controlled and heavily dependent on the oil sector. Since the lifting of the UN and U.S. Libya-specific trade sanctions in September 2003 and September 2004, respectively, the pace of economic and structural reforms has picked up somewhat, with the implementation of measures aimed at enhancing the role of the private sector in the economy.
- In 2003, real GDP grew by an estimated 9 percent, reflecting a 28 percent rise in oil production and a modest 2.2 percent increase in nonhydrocarbon activities. Deflation, as measured by the official Consumer Price Index, decelerated to 2.1 percent from 9.9 percent in 2002. The developments in the oil market contributed to a significant improvement in the external current account surplus, which reached 15.4 percent of GDP. Gross international reserves increased to about US\$19 billion, equivalent to 22 months of 2004 imports.
- The fiscal stance continued to be expansionary, with a non-oil fiscal deficit widening to 36 percent of GDP. However, reflecting higher hydrocarbon revenues, the overall consolidated surplus remained stable at about 10.5 percent of GDP. Non-oil revenue declined by three percentage points of GDP as a result of widespread tax evasion and low efficiency in tax collection.
- In 2004, economic and financial conditions continued to be favorable. Real GDP growth is estimated at about 4.5 percent, reflecting a deceleration in growth of oil production to 7.5 percent, and real non-oil GDP growth rate of about three per cent. For the year as a whole, the authorities expected a deflation rate of about 1 percent.
- The overall fiscal surplus is estimated to have reached about 19 percent of GDP, with oil revenue estimated at 52.4 percent of GDP. However, non-oil revenue is

estimated to have declined by about one percentage point to seven percent of GDP, partly owing to reduced tax revenue in connection with the new tax law provisions.

- Some progress was made on the reform front. Measures taken include the adoption of laws to encourage domestic and foreign private investment, the adoption of a new tax law, the removal of customs duty exemptions enjoyed by public enterprises, the reduction in tariff rates, and the preparation of a new banking law which gives the Central Bank of Libya greater independence in the conduct of monetary policy. In addition, a privatization plan (not including the utilities, the oil and gas sector, and the air and maritime transportation sectors) was initiated in January 2004, which involves the sale of 360 economic units. Thus far, 42 small units have been privatized (International Monetary Fund, 2005).

4.5.3 The Libyan Privatisation Programme

Privatisation is in progress in many countries around the world. It is not a goal in itself but it is a specific approach to encourage better results in terms of costs, quality and innovation. The idea behind it is to improve economic efficiency. As explored above up till 1980, the development plan in the Libyan economy totally depended on the public sector in both productive and services sector. By the early 1980s the earnings from petroleum had reduced, which affected the projects conducted by the public sector. These problems reflected in instability of administration, changing of productive units' structure, putting more burdens on the public budget and deterioration of labour productivity as a result of over-manning. As a result of these problems, the government started to re-evaluate the domination of the public sector on the productive and services sectors. In the early 1990s, the government started to give the private sector a chance to participate in the economy of the country through shared companies and individual projects. This period witnessed the

issuing of many regulations and laws to organise the role of the private sector in economic activities.

In recent years, the Libyan government decided to privatise some public companies by selling them to the staff of those companies or people interested in becoming involved in the private sector. Also, the Central Bank of Libya decided to sell two state banks, named Sahara bank and Wahda bank, to their staff or the Libyan people. Up to 2008, 360 companies had been identified for some form of privatisation, including petrochemical, cement, agriculture and steel companies.

4.6 The Libyan Banking Sector

This section aims to present some background information on the Libyan banking sector and the developments which have taken place in it. Also, this section provides a review of the structure of the Libyan banking sector in which this study has been conducted.

4.6.1 Background to the Libyan Banking Sector

Nowadays, the service sector in Libya plays an important role in the economy both in terms of contribution to GDP and in terms of employment to serve its approximately six million customers (Central bank of Libya, Economic Bulletin, 2006). The Libyan banking sector plays a major role in the Libyan financial sector. This sector is scattered throughout all the cities, towns and villages of Libya, though the main business activities lie in Tripoli, due to its better infrastructure. This section of the chapter gives a historical background of the Libyan banking sector and the changes which happened over three main stages: the period

before 1951, the period between 1951 - 1969 and the period after 1969. Every stage has its own development activities, which differentiate it from the other stages.

4.6.1.1 The period before 1951

This period was called the Italian era. The first bank opened by the Italians in Libya was a branch of the Bank of Rome, on April 1907 in Tripoli city. The bank of Rome opened another branch in Benghazi city in September of the same year. Moreover, the bank of Napoli opened a branch in Tripoli in 1913 and then the bank of Seshlia opened a branch in Tripoli in the same year. However, the aim of establishing all these banks was to serve the Italian and foreign people, not for the sake of the Libyan people. The staff of all these banks was Italians. The services of these banks were current accounts and short-term loans to support agriculture and Italian industries in Libya. The Italian Lira was the only currency accepted in these banks, and for purchasing and sales transactions.

After Italy's defeat in the Second World War, its banks lost their control of the Libyan banking market. Libya came under the British and French military administration. Barclays bank opened two branches, one in Tripoli and another in Benghazi. The currency used in Tripoli was the Sterling Pound, while in Fazzan (south Libya) they used the French Franc and in Benghazi they used the Egyptian Pound. In conclusion, it could be said that this period witnessed a lot of confusion and instability in banking sector (Central Bank of Libya, Economic Bulletin, 2006).

4.6.1.2 The period 1951 - 1969

As a result of the decision of the United Nations in 1949, Libya became an independent country under the name of the Kingdom of Libya. Libya became a member of the British

sterling bloc when independence was established in 1951. Shortly after independence, a national currency was created, the Libyan pound, as it was then known, equivalent to US\$2.80. Libya established the first Libyan bank under the name of the Libyan National Bank in 1955. However, some of the Italian banks continued to provide their services for the Italian people who were resident in Libya such as Bank of Rome and Seshlia Bank in Tripoli. The National Bank of Libya issued some banking legislation, such as legislation of 1955 (amended in 1958), which gave the National Bank of Libya the right to perform some of the functions of a central bank under the authority of the Ministry of Finance. However, the commercial banks for the most part of the country were branches of major international banking institutions. They mainly engaged in providing short-term international and domestic commercial credits.

In 1963 Libya established a central bank under the name, Bank of Libya, formerly the National Bank of Libya. The government gave the Bank of Libya sole right of currency issuing. It was responsible for maintaining monetary stability and the external value of the Libyan currency and for regulating currency and credit. The Bank of Libya issued the law No. 4 of 1963 which regulated the banking sector in Libya. As a part of this legislation some Libyan commercial banks were established. However, the other foreign banks such as Barclays Bank, the Bank of Rome, the Bank of America and other Arab banks such as Al-Arabi Bank and Al-Nahda Bank were still working in Libya. Despite of all these banks, the banking sector still lacked the full control of the financial and monetary operations, because of the domination of foreign banks. In conclusion, during this period (1951 – 1969) the Libyan people had no real relations with the banks. The weak relations with banks can be attributed to poverty, lack of education and health services, and ignorance of banking procedures (Central bank of Libya, Economic Bulletin, 2006).

4.6.1.3 The Period after 1969

Libyanisation of Libyan banking sector was made a primary target of the revolution general programme. Thus, from the first days of Al-Fateh Revolution, the banking sector was given a lot of attention because of its effect on other sectors of the economy. Furthermore, the new government issued many laws concerned with the reorganisation of the banking sector. For example, in November 1969, the new government brought all banks in the country under its control. It bought out 51 percent of the shares of the commercial banks. By July 1970, four of the major banks with minority by foreign ownership had been totally brought under the Libyan government ownership. In December 1970, the government purchased the ownership of all banks that still had some foreign participation. Then, these banks were merged to reduce the number of commercial banks to five. They became state-owned commercial Banks. In addition to those five commercial banks, there were some specialised banks.

From 1972 until 1993 the structure of the Libyan banking sector did not witness any changes. However, during this period, the Libyan banks, whether commercial banks or specialised banks, opened many branches, which covered all cities, towns and villages around the country (Central bank of Libya, Economic Bulletin, 2006).

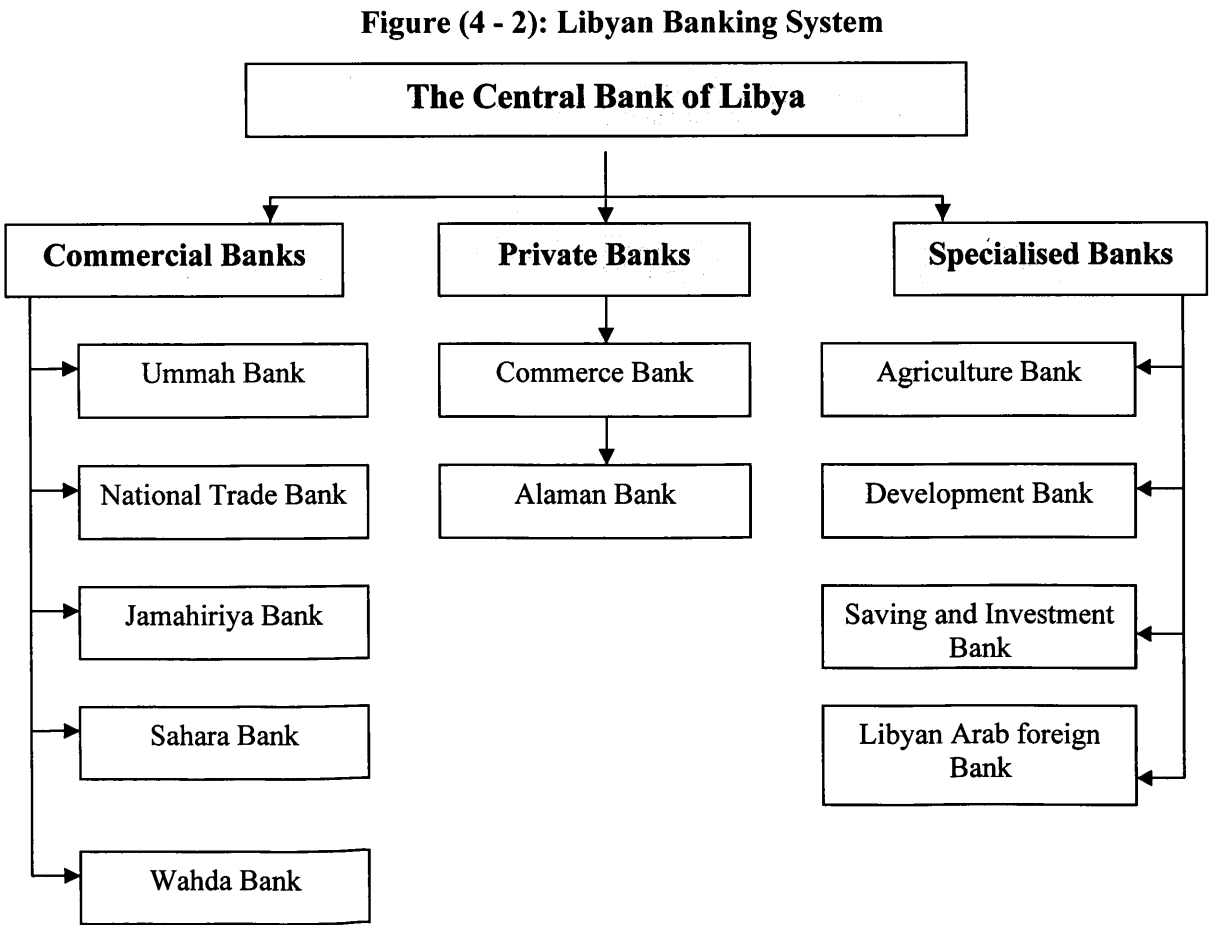
In 1993, the Central Bank of Libya issued law No.1 of 1993 concerning banking, currency and credit. This law permitted foreign and private banks to operate in Libya. It gave the private sector the opportunity to participate in the Libyan banking sector. Also, in 1996 many private banks were opened around the country. Subsequently, these banks opened many branches in different cities and towns.

4.6.2 Current Libyan Banks’ Structure

This section introduces the current structure of the Libyan banking sector, especially since the Libyan government decided to give the private sector the right to establish private banks, which made significant changes in the Libya banking sector. The Central Bank of Libya classifies the banking sector into four different categories:

- 1. Central bank.
- 2. State-owned commercial banks.
- 3. Specialised banks.
- 4. Private banks.

To give a clear idea about the Libyan banking sector, this section will provide details of each of the above categories as shown from Figure 4-2.



4.6.2.1 The Central Bank of Libya

The Central Bank of Libya plays an important role in drawing policies of the financial market and other banks in Libya. The Central Bank of Libya is 100% state owned and represents the monetary authority in Libya. It enjoys the status of an autonomous corporate body. The management of the general affairs of the bank within the policies of the country is entrusted to a Board of Directors, consisting of the Governor as chairman, Deputy Governor as Vice-chairman, and six members.

The Central Bank of Libya headquarters is located in Tripoli. It has opened three branches in different areas, one located in Benghazi to serve the banks and public in the eastern region of Libya, one located in Sabha city to serve the banks and public in the southern region of Libya, and the other located in Sirte city to serve the banks and public in the central region of Libya.

Law No. 4 of 1963 continued to operate even after the Al-Fateh revolution. In 1993 the bank issued law No. 1 concerning the banking, currency and credit. This law defined the responsibilities of the central bank and its functions in the banking sector. The Central Bank of Libya is required to help the government in achieving its economic development objectives and to encourage the development of the banking industry in Libya. The functions of the central bank of Libya have grown since its establishment, and now include the following:

- Issuing and regulating banknotes and coins.
- Maintaining and stabilising the Libyan currency internally and externally.
- Maintaining and managing the official reserves of gold and foreign exchange.

- Regulating the quantity, quality and cost of credit to meet the requirements of economic growth and monetary stability.
- Taking appropriate measures to deal with foreign or local economic and financial problems.
- Acting as a banker to the commercial banks.
- Supervising commercial banks to ensure the soundness of their financial position and protection of the rights of depositors and shareholders.
- Acting as a banker and fiscal agent to the state and public entities.
- Advising the state on the formulation and implementation of financial and economic policy.
- Supervising foreign exchange.
- Carrying out any other functions or transactions normally performed by central banks, as well as any tasks charged to it under the law of banking and currency and credit or any international convention to which the state is a party.
- Managing and issuing all state loans.

(Central bank of Libya, Economic Bulletin, 2006).

4.6.2.2 The State-Owned Commercial Banks

These banks are: National Commercial Bank, Umma Bank, Jumhuriya Bank, Sahara Bank and Wahda Bank. However, only these banks worked in the field of banking in Libya until 1993, when the central bank of Libya issued law No. 1 of 1993, which gave the opportunity to private sector to establish commercial banks. The state commercial banks opened many branches around the country which increased the competition among these banks.

State-owned commercial banks serve the public and organisations and have a significant role in the Libyan economy, as can be seen from their functions. They perform universal banking activities such as the creating of money, maintenance of payment mechanisms, pooling of savings, credit extension, facilitation of foreign trade financing, and safekeeping of valuables. Nevertheless, they focus on two main banking functions, acting as a depository and offering loans to public and organisations. Commercial banks deposits fall into categories of time and demand. One distinctive characteristic of the latter is that demand deposits are not generally accepted as means of exchange because the business community has not developed well-structured credit evaluation system. Without a free flow of credit information, demand deposits will have a very difficult time becoming a major component of the medium of exchange (Central bank of Libya, Economic Bulletin, 2006). Bank lending activity may be classified into short-term and overdraft with most of these loans and advance going to the business sectors to facilitate commerce. Loans and other credit facilities are normally restricted to those who can offer sufficient collateral for loan security. Below is more explanation on each single state-commercial bank:

1. National Commercial Bank

The National Commercial Bank is one of the largest commercial banks in Libya. It was established according to Law No. 153 in 1970 that nationalised foreign shares and reorganised them. It has about 60 branches around the country.

2. Umma Bank

The Umma Bank is located in Tripoli. It was established in 1970. It has about 50 branches around the country.

3. Jumhuriya bank

The Jumhuriya bank is located in Tripoli. It was established in 1970. It has about 60 branches around the country.

4. Sahari Bank

The Sahari Bank is located in Tripoli. It was established in 1970. It has about 39 branches around the country.

5. Wahda bank

The Wahda bank is located in Benghazi. It was established in 1970. It has about 69 branches around the country (Central bank of Libya, Economic Bulletin, 2006).

4.6.2.3 Specialised Banks

Since 1969, the Libyan government has established four specialised banks. These banks work in different fields such as agriculture, housing and building, and industries field. The specialised banks supply the different fields with loans needed to projects owned by the Libyan Government or private. These banks are:

1. Agricultural Bank

The Agriculture Bank aims to provide financial facilities to people engaged in agriculture and animal related activities particularly in the drought seasons.

2. Savings and Real Estate Investment Bank

The Savings and Real Estate Investment Bank aims to provide loans for building and buying houses for the citizens.

3. Development Bank

The Development Bank aims to provide loans to productive projects in the industrial, agriculture, and tourist sectors.

4. Libyan Arab Foreign Bank

The Libyan Arab Foreign Bank deals with all international banking operations (Central Bank of Libya, Economic Bulletin, 2006).

4.6.2.4 Private Commercial Banks

According to Law No.1 year 1993, which opened up a way of granting licences to new private-owned commercial banks, private banks started their operations in Libya. In June 1996, the Bank of Commerce and Development was the first private commercial bank to open for business in Benghazi. Currently this bank comprises five branches and four agencies in different regions and is considered to be the fastest growing bank in Libya, with advanced technology and services crowned by the issuing of Visa Cards for the first time in the country in 2005 (Alkizza, 2006). Also, another private bank has been established in September 2000 called Alaman Bank. However, these banks are still in early stages according of their activities and branches. Libyan citizens were permitted to purchase shares in these banks.

4.6.3 Factors Affecting the Libyan Banking Sector Performance

This section describes internal and external factors affecting the performance of the Libyan banking sector. These factors include: the condition of the economy and bank competition.

The aim is to understand the external and internal pressure around the Libyan banking sector which may affect its actions and policies.

4.6.3.1 Conditions of the Economy

The major changes and sequences in economic development and financial institutions in Libyan economy occurred during the period from 1969 until now. The banks have witnessed a great development, and the banking sector has grown rapidly in the terms of the number of banks and their branches, and increased the number of Libyan people working in the banking sector due to economic development. Similar development has taken place in the other sectors and in the economy in general. Also, the country has invested heavily in capital-investment projects. However, the over Manning and the opening of unnecessary branches in some parts of the country have affected negatively the performance of the banking sector (Alkizza, 2006).

4.6.3.2 Banks Competition

As mentioned above, in the two first stages (before 1951 and between 1951 - 1969) the country suffered adverse economic conditions, poverty and low education, all of which affected the banking sector and reduced the bank competition. Since 1969 the banking sector has grown rapidly in terms of numbers of the banks and their branches due to the economic development and deregulation, and in terms of introducing new services and improving existing services to meet new customer requirements. The Libyan government established many new banks as state banks. They provide short-term and long-term loans at low interest rates for all Libyan people in order to solve the housing problem and to face growth in the construction sector by providing all new projects with loans. For that reason,

bank competition increased to attract customers and companies, although the level of competition was still low. In 1993, when the Central Bank of Libya issued new law No.1 to encourage both the private sector to establish new banks, and in 1996, Libya issued law No.5 to encouraging the foreign investment to invest in Libya, competition between Libyan banks increased. The new private banks, which have already started their business, complement the existing ones, as they introduced new types of banking services. This put pressure to state-owned banks to match these developments and led them to provide new banking services. Thus, banking competition has increased to a high level between state banks aiming to keep their customers and private banks seeking to attract the customers from state banks. By the end of 2006 there were many banks operating in Libya. Therefore, the future will be not so easy for Libyan commercial banks, with competition coming not from national banks but also from foreign banks from other countries (Alkizza, 2006).

4.6.3.3 Liberalisation and Privatisation of Libyan banks

The objectives of financial liberalisation are to increase the level of competitiveness in the financial sector by opening the door to entrants, increasing and upgrading the available financial tools and options for investors and depositors by expanding the financial infrastructure of the sector, improving the process of determining and deriving interest rates so that these rates reflect actual costs of financial resources, improving foreign exchange distribution so that real costs are reflected and improving the packaging and customisation of financial resources (Fayad, 2003). Banks may be affected by liberalisation in the following ways: profitability, development and market share, pricing policy, levels of risk and the quantity and quality of financial services.

4.7 Summary and Conclusion

The purpose of this chapter was to shed light on the characteristics of the Libyan business environment in which this study is conducted. This chapter provided, in the first section gave general information about the location and population of Libya. Different historical and political factors have been discussed and a review of the Libyan Economy. Economic development in Libya went through three periods. Prior to the discovery of oil in 1959, Libya was one of the poorest countries in the world. During the Italian and then the British rule (1911-1951), the country's economy suffered from a deficit in the budget and was based on the limited productivity of a primitive agricultural sector and a few small industries. Following the discovery of oil in commercial quantities in 1951 and after the production in the fields started in August 1961, the Libyan economy grew rapidly and moved the country to the forefront of world economies. During the period 1951-1969, the Libyan economic system was mainly capitalist. Private ownership existed with minimum governmental interference and public ownership was in sectors which required large-scale investment. Since the revolution in 1969, the Libyan economy became an economy based on the ideology of socialism as well as state involvement in the organisation and management of the economy. The state ownership structure of businesses started in the early 1970s, gained momentum in the mid-1970s and reached its peak in the 1980s when most of the economy became owned or controlled by the State. The development plan in the Libyan economy totally depended on the public sector in both productive and services sector. By the early 1980s the earnings from petroleum had reduced, which affected the projects conducted by the public sector. These problems reflected in instability of administration, changing of productive units' structure, putting more burdens on the public budget and deterioration of labour productivity as a result of over-manning. As a result of

these problems, the government started to re-evaluate the domination of the public sector on the productive and services sectors. In the early 1990s, the government started to give the private sector a chance to participate in the economy of the country through shared companies and individual projects. This period witnessed the issuing of many regulations and laws to organise the role of the private sector in economic activities. In recent years, the Libyan government decided to privatise some public companies by selling them. Up to 2008, 360 companies had been identified for some form of privatisation, including petrochemical, cement, agriculture and steel companies.

Regarding to the banking the Bank of Rome on April 1907 opened two branches, one in Tripoli and another in Benghazi. After the Second World War Libya came under the British and French military administration and Barclays bank opened two branches, one in Tripoli and another in Benghazi. Shortly after independence of Libya a national currency was created, the Libyan pound, as it was then known and established the first Libyan bank under the name of the Libyan National Bank in 1955. In 1963 Libya established a central bank under the name, Bank of Libya, formerly the National Bank of Libya and some Libyan commercial banks were established. However, the other foreign banks were still working in Libya. Despite of all these banks, the banking sector still lacked the full control of the financial and monetary operations, because of the domination of foreign banks. In conclusion, during this period (1951 – 1969) the Libyan people had no real relations with the banks. The weak relations with banks can be attributed to poverty, lack of education and health services, and ignorance of banking procedures.

From the first days of 1969 revolution Libyanisation of Libyan banking sector was made a primary target and the new government issued many laws concerned with the reorganisation of the banking sector. It bought out 51 percent of the shares of the commercial banks. By

July 1970, four of the major banks with minority by foreign ownership had been totally brought under the Libyan government ownership. In December 1970, the government purchased the ownership of all banks that still had some foreign participation. Since 1972 until 1993 the structure of the Libyan banking sector did not witness any changes. In 1993, the Central Bank of Libya issued law No.1 of 1993 concerning banking, currency and credit. This law permitted foreign and private banks to operate in Libya. It gave the private sector the opportunity to participate in the Libyan banking sector. The current structure of the Libyan banking sector classicised by The Central Bank of Libya into four different categories: 1) central bank; 2) state-owned commercial banks; 3) specialised banks and 4) private banks.

The following chapter, chapter five will present and discuss in detail the methodology conducted to carry out this study.

Chapter 5: Research Design and Methodology

5.1 Introduction

The main purpose of this chapter is to address the research methodology and design that have been adopted in conducting this study. The review of the literature was instrumental in the formulation of the areas to be investigated. Therefore, this chapter provides and justifies the appropriate research design and methodology to answer the research questions. It comprises five sections. The first section starts with a research design, including the methodological approach, followed by justifications for the chosen study research methodology. The second section deals with the research population and procedures followed to select a suitable sample size for the study. The third section considers the data collection tools or instruments and procedures, starting with details of how the questionnaire was constructed, developed, translated into Arabic, piloted and administered, along with the steps taken to enhance response rates. The nature and purpose of the interviews conducted for this study are also discussed. Later, this section outlined the criteria for assessing the quality of the research design in terms of reliability, validity and generalisation, as well as the ethical issues involved in the study addressed. The fourth section explains the fieldwork and the fifth and last section outlines methods for data analysis that were used for this study.

5.2 Research Design

Research design necessarily links the data to conclusions (Yin, 2003). Poor designs leave the quality of the research and general validity of the conclusions open to

challenge. Therefore, the critical design phase must be well conducted and adequately specified. The key to establishing a good research design is to follow a logical process of linking data to objectives, conclusions to data and, thereby, linking objectives to conclusions (Yin, 2003). The design of the research is a structure for data collection and analysis. It is a framework or plan for conducting research, which usually contains specifications of elements to be investigated and the procedures to be followed. Research design is about organising research activities, including data collection, and analysing it in such ways that help to achieve the research aims. Therefore, after the researcher decided the research questions and objectives, he found that the multi-methods approach (triangulation) conducted through survey questionnaire and semi-structured interviews in a complementary, supplementary way, rather than in competition with each other, was an appropriate and flexible way to conduct this research. In this way, since the main objective of this study is to explore the current training and development practices, the use of survey questionnaire and semi-structured interviews seems to be appropriate to fulfil this objective. The rationale behind this choice is justified as follows:

- The research is to be conducted in the context of Libyan banking sector. It was designed to explore the current situation and practices of training and development in terms of training needs assessment, training implementation process, delivery methods and training evaluation. It was also designed to identify all the problems and challenges that might confront training and development in achieving the organisational objectives and improving the organisation performance will be explored. Achieving all these aims requires applying a multi-methods approach (qualitative and quantitative) including a questionnaire and face-to-face semi-structured interviews as the main primary

data collection methods, in addition to the use of the available secondary data. Moreover, most of the research questions and objectives are exploratory in nature; the investigation is based on top managers' and training and development managers' viewpoints and experiences (perceptions) in the context of Libyan banking sector. That requires applying different data collection methods and exploring many themes underpinning the research objectives, rather than relying only on one particular method. The adopted approach provides useful quantitative and qualitative data, which generate a rich wealth of data and interpretation.

- This approach enables methodological triangulation, which refers to using different data collections methods within one study in order to ensure that data are telling you what you think they are telling you. In other words, to generate more validity and reliability (Saunders et al., 2003). Triangulation involves crosschecking for internal consistency and external validity, which is a concern of this study. In this regard, Saunders et al. (2003) indicate that semi-structured interviews, applied with other data collection methods like the questionnaire are very valuable ways of triangulating.
- Based on the nature of the research questions and objectives, it is obvious that this study includes many subjective variables or factors. These need to be investigated and measured through the qualitative and quantitative approach. The research includes many social behavioural factors, beliefs and attitudes that need to be explored and explained in detail. Therefore, applying the chosen research design helps the researcher to address all required qualitative and quantitative data that provide more flexibility to meet multiple research

interests and needs, and facilitate using different quantitative and qualitative data collection methods in one study, which will enrich the findings from this study.

5.2.1 Research Approach

The first critical issue which should be taken into account when deciding the research design is the research approach. Creswell (2003) states that there are three approaches that the research method can be derived from: quantitative, qualitative and mixed method approaches. The following section discusses the choice of approach for this particular research project.

5.2.1.1 Multi-Method (Triangulation)

Based on the argument provided by Creswell (2003), Easterby-Smith et al. (2002) and Saunders et al. (2003) that, in reality, business research rarely falls under one specific research methodology, quantitative or qualitative, most management and business research often uses a combination of both approaches. Saunders et al. (2003) emphasise that it is better to combine approaches within the same piece of research. There are many advantages for this method. Importantly, researchers can use different methods in combination in the single study. According to Creswell (2003) the triangulation concept is built on the assumption that it would reduce biases inherent in particular data collection sources and methods, through using more than one data collection method. Another advantage is beneficial for the researcher to be 'pragmatic' in mixing research methods in a single study of social phenomena. 'Pragmatists' do attempt to integrate methods of quantitative and qualitative

approaches in investigating a single study. That is because each research method has its own strengths and weaknesses. Thus, the data collected will be affected by these strengths and weaknesses. Therefore, combining or employing different methods in this study will cancel out a 'method effect' and combine the advantages for each method employed (Creswell, 2003). In sum, using triangulation in one study has a number of advantages in that it increases validity because it ensures that the variable variance is attributed to the trait of the subject examined rather than to the method used for investigation. In short, triangulation consists of crosschecking data for internal consistency and external validity, which are matters of concern for any study (Saunders et al., 2003; Sekaran, 2003).

5.2.1.2 Quantitative Method

One of the most common classifications in research method is quantitative research. Quantitative research method was first developed for studying natural phenomena in the natural science. As the name implies, quantitative research deals with things that can be counted and it often uses statistical manipulations of numbers to process data and summarized results (Lock, et al., 1998). In describing the way researchers apply quantitative research methods, Rudestam and Newton (2001) describe quantitative research as a method which attempts to control the playing field of the study as much as possible and restrict the focus into a narrow band of behaviour and to get out of harm's way as a separate and objective observer of the action. Quantitative data are evaluated by using descriptive and inferential statistics. In addition, the quantitative research is suitable to record a small set of previously identified variables.

5.2.1.3 Qualitative Method

In contrast, qualitative research method was developed for studying social sciences to enable the researchers to study social and cultural phenomena. In describing qualitative method, Rudestam and Newton (2001) stated that within qualitative research the researcher will be more flexible in exploring phenomena in their natural environment, rather than being restricted in a relatively narrow band of behaviour. A qualitative method implies that the data are in the form of words as opposed to numbers; these data are normally reduced to themes and categories and are evaluated subjectively. There is more emphasis on description and discovery and less emphasis on hypothesis testing and verification. They also argue that qualitative researchers seek a psychologically rich, in-depth understanding of the individual and would argue that experimental and quasi-experimental methods could not do justice to describing phenomena. Qualitative research emphasises processes and meaning over measures of quantity.

There are many types of methods which could be applied in this approach, such as case study, interviews, group discussion, participant observation and documents and records analysis. Overall, the qualitative methods explain a phenomenon from the researcher's position and the reader's perception. At the outset, methodologists have urged strongly that qualitative methods are suitable and vital when the research is exploratory and when the research questions are: what is, how, or why (Amaratunga et al., 2002; Darlington and Scott, 2002; Yin, 2003). Strauss and Corbin (1998) asserted, qualitative method is suitable and highly recommended when (a) little is yet known about the investigated phenomenon, (b) events being investigated are known, or (c) the research issues can not be expressed quantitatively.

5.2.2 Summary

From the above it can be concluded that the researcher found that the multi-methods approach (triangulation) conducted through survey questionnaire and semi-structured interviews in a complementary, supplementary way, rather than in competition with each other, was an appropriate and flexible way to conduct this research. In this way, since the main objective of this study is to explore the current training and development practices, the use of survey questionnaire and semi-structured interviews seems to be appropriate to fulfil this objective.

5.3 Research Population

The population of this study is defined as all the banks in Libya. Therefore, the chosen banks reflect the whole population rather than a sample of the population because of their small number and to reflect the whole picture of training and development process in the Libyan banking sector. The aim was to have all Libyan banks in 2009. There are nine banks operating in Libya: three of these banks which are National Trade Bank, Jamahiriya Bank and Ummah Bank are completely state-owned and at least 70 per cent of the shares in the other two; Sahara Bank and Wahda Bank are state-owned. In addition, there are four specialised banks; The Libyan Arab Foreign Bank, Agricultural Bank, Saving and Investment Bank and the Development Bank. These banks were targeted to be the population of this study, regardless of their size or the number of their employees, to explore the whole picture of the training and development situation and practices in Libyan banking sector. The investigation in this sector needed to be with those who have all the information about training and

development process in this sector. The next section is about the research respondents and the sampling strategy.

5.3.1 Sampling of Respondents

The study was conducted only in Benghazi city, the second city in Libya because of time and financial constraint. In other words, banks had to be located close to where the researcher was based during the empirical work to enable him to visit them on a daily basis for extended periods of time. In this study, three groups of people were targeted in Libyan banking sector. These are represented firstly by top managers; secondly by training and development department managers who are in the best position to provide the required information data; and finally by trained employees. The three groups are the most knowledgeable people in the banks surveyed about training and development decisions, situation and effectiveness. Rather than a sample, the study covered the total population of the two groups (top managers and training department managers) in Libyan banking sector because the number of the two groups in this sector is small, the study targeted the entire population for these groups. In this context, Easterby-Smith et al. (2002) point out that, when the population is small, it is customary to send the questionnaire to all members. This 100 percent sample is known as a census. Therefore, the entire population, which consists of top managers and training and development department managers of nine Libyan banks was targeted as a sample for this study. Regarding the third group (the Libyan banks employees who participated in the banks training programmes between 2000 and 2006) a survey sample of 225 (25 questionnaires for every bank, about 50% of the total employees) was selected.

Sampling is the process of selecting a sample from a population of interest so that by studying the data collected from the sample, generalisations may be made about the population from which they were obtained. In the present study, the sample of the population was selected using a stratified random sampling technique. The sample was not selected from volunteers. Instead, it was carefully arranged so that each participant in each bank had a fair chance of selection. Critical characteristics of samples such as work group and gender of the participants were, nevertheless, considered while sampling, to ensure a representative sample. The participants were, therefore, divided mainly into management (administrators and managers, officers) and technical (administrative support, finance and technical staff) groups. Following the stratification process, a further about 50% of each category target population was selected for the final sample in each bank using a random sampling technique, with 25 employees from each bank randomly selected to survey. Therefore, the results could be reliably projected from the sample to the larger population.

This study's sampling method is consistent with Hussey and Hussey (1997) argument that an efficient sample design is one that yield results from the sample that can be taken to be true for the whole population. In other wards, one that will allow generalisations to be made from the results. The decision to sample involves a significant number of judgements and choice decisions to be made by the researcher. This researcher has made a decision concerning the most appropriate sample design for a specific project.

5.4 Data Collection Instruments and Procedures

Designing a good, accurate, and appropriate instrument to collect the data for any study is a very important issue and can add to the success of the study effort. There are numerous instruments that can be considered to collect data. The selection of the data gathering instrument depends mainly on the accessibility of samples, desired sample size, and the research objective. In this study, as mentioned earlier, in order to answer the research questions and to fulfil the objectives, the decision was made to adopt multi methods through applying both face-to-face semi-structured interviews and self-administrated questionnaires as the data collection instruments. Therefore, in this study the exploration of training and development current practices and effectiveness in improving organisational performance is based on top managers', training and development managers' and trained employees viewpoint in Libyan banking sector, and is carried out by using face-to-face semi-structured interview and self-administrated questionnaires delivered and collected by the researcher.

The researcher did not use just the questionnaire because using a questionnaire as the only data collection instrument has been criticised by many authors such as Creswell (2003), Saunders et al. (2003) and Sekaran (2003). There are many important and complex social, behavioural and organisational factors which need to be explored and explained in detail through other data collection instruments such as interviews. Therefore, combining interviews and questionnaires in this study helps in generating deeper insights and better understanding to reveal further facts about the research dimensions. Also, it helps in understanding the facts underpinning the questionnaires' answers and identifies many other important themes and facts related to training and development. In addition, applying qualitative and quantitative methods was very

important because of the difficulty in quantifying training and development outcomes, which are mostly subjective in nature and require a long time to emerge. In other words, data could be gathered by interviews, questionnaire, observations or archival records, documentation and physical artefacts depending on the nature of the study, research method (qualitative or quantitative or both), research questions and objectives and research design, but it is not necessary to utilise all of these instruments. In general, the type of the event being investigated and the availability of and accessibility to these various data collection instruments have determined the appropriate instrument for collecting the data for this study.

5.4.1 Questionnaire

The questionnaire is considered to be one of the most common and widely used data collection instruments in social science research in order to obtain the required data from a relatively large number of respondents in an economic way. Sekaran (2003; 263) defines a questionnaire as “a reformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives”. The questionnaire is an efficient data collection instrument when the researcher knows exactly what data are required to answer his/her research questions and objectives, how to measure his/her research variables and what kind of data the study is likely to produce. It allows the collection of data from a large sample prior to quantitative analysis. A questionnaire could be used with other data collection instruments such as interviews. For example, in a multi method it gives very rich data collection, analysis and interpretation.

In this study the researcher decided to use a self-completion personally administered questionnaire, which is also called a delivery and collection questionnaire (drop in pick up), delivered and collected personally, by the researcher himself and with help of former university colleagues. The questionnaire was distributed to employees who participated in training programmes from 2000 to 2006 in the Libyan banking sector. The main objective of the questionnaire was to identify the nature of training and development, to discover how training programmes had been implemented, and uncover the problems and obstacles facing these programmes in the Libyan banking sector. This type of questionnaire has many advantages. According to Sekaran (2003) these are:

- All the completed responses can be collected within a short period of time and it can establish a good report and motivate respondents;
- There is an opportunity to introduce the research topic and motivate the respondents to give their answers honestly;
- Any doubt or misunderstanding about the questionnaire will be clarified;
- It is less expensive when distributed to group of respondents; and
- It gains an almost 100 percent response rate.

Therefore, considering the above-mentioned advantages of personally administered questionnaire, the researcher delivered his questionnaires and collected them later by himself and with the help of former university colleagues.

5.4.1.1 Construction of Research Questionnaire

The main objectives of the questionnaire were to gather data that would enable the researcher to answer the research questions addressed by this study. The questionnaire

was designed to extract information from employees in the Libyan banking sector. The procedures of construction were as follows:

5.4.1.1.1 Developing Questionnaire

It is important for researchers to spend enough time deciding what data need to be collected and how to analyse them. It is also important to review the literature carefully and to discuss ideas with other researchers or with the supervisor and other interested parties. Designing or developing the study questionnaire must aim to answer the research questions and to meet the objectives of the study. The first step in developing the questionnaire started with a review of the literature and a number of available questionnaires used in previous similar studies. Some of the items for the first draft of the questionnaire were selected on the basis of their clarity and relevance from different studies (Abu-Doleh, 1996; Al-Ali, 1999; Albahussain, 2000). The researcher made some necessary modifications to the original content to be applicable to the Libyan training and development context. Also, frequent meetings and detailed discussions were held with the researcher's supervisor on the questionnaire design and development.

The length of the questionnaire is eight pages of A4 paper including the explanatory letter (see Appendix A). It should take respondent about 20-25 minutes to answer all questions. This is considered the most appropriate period of time in terms of the respondent's concentration and motivation (Bell, 1993).

The questionnaire was structured in six main sections containing 16 questions. These sections were used to gather data that would enable the researcher to meet the

research aims addressed by this study. Section one consists of seven questions and focused on personal details about the employee requested basic information regarding occupation, level of education, experience, etc. The reason for starting with this section is because it is easy to complete and does not contain sensitive questions. According to Bell (1993) it is preferable for questionnaires to begin with the more straightforward easy-to-complete questions and then move to the more complex topics. Likewise, Saunders et al (2003) state that complex questions and topics are best placed in the middle of the questionnaire, when the respondents feel more confident and co-operative in completing the questionnaire. The second section is on the reaction of trainees to the training programmes (the objective and content of the training programme, etc.) and consisted of four questions. Section three presents a number of statements about the bank's efforts in the training process and asks respondents to rate the extent to which he or she agrees or disagrees with those statements. The fourth section asks information about the satisfaction of trainees with the training facilities and organisation. Section five goes into the benefits of the training programme. The final section consists of two questions and focuses on problems and obstacles that impede the implementation of training and development programmes. In addition, this section includes questions about the future challenges that may increase the need for training and development and the strengths and weaknesses of training programmes in the banks. Further, as recommended by Bryman (2001), most of the questions were closed and only a few open-ended questions were included where there was no possibility to formulate closed ones.

Initially, the questionnaires (English language versions) were distributed to a number of Libyan doctoral students (all of them were studying for doctoral degrees in business during the course of this study at different universities in the UK) who have

been working for Libyan organisations in order to test the terminology of the questions and eliminate any ambiguous and unfamiliar terms. In addition, it was e-mailed to a number of researchers who have recently carried out empirical research on management using the questionnaire method. The purpose of this step was to make sure that the questionnaires covered all the important aspects and would answer the research questions and to evaluate the questionnaires by answering the following questions:

- Are the questions clear?
- Is it easy to understand all the questions?
- Are the scales easy to complete and meaningful?
- Is the questionnaire too long?
- Are any parts of the questionnaires repetitive?
- Is the layout of the questionnaire adequate?
- Are there any comments or suggestions that you wish to add?

Some changes were made as a result of comments and suggestions offered. Also, some questions were added, and others were deleted.

5.4.1.1.2 Translation of Questionnaire

Once the questionnaire design had been approved by the school research ethics committee and accepted by the researcher's supervisor, it was necessary to translate them into Arabic. This is because the main language of the target population of this study was Arabic; the questionnaire had to be translated from English into population language. The translation of the questionnaire from English into Arabic is a very important step. It is in fact a delicate issue in cross-cultural methodology. Bulmer and

Warwick (1993) stressed that great care must be taken in rendering a questionnaire from one language into another, so that the translation does not affect its concepts and meaning. 'Back-translation' technique, they suggest, can iron-out errors and distortions. Similarly, Iyenger (1993, 174) suggests that "validity thus requires that questions in one language be translated into another language in each way so as to retain their meaning". Validity is therefore determined simply by the accuracy of the translation. Accordingly, and to ensure uniformity, the questionnaire was first translated into Arabic by the researcher, and then it was given to an expert translator to check the translation. The aim of this step was to ensure that changing the language of the instruments did not affect the concepts and meaning of the questions.

Moreover, the Arabic drafts were given to an Arabic language teacher in Libya for linguistic revision. All parts of the translation version were accurate and comments and suggestions were all taken into account, and very careful considerations were given to the wording and overall clarity of the questionnaire. This was to ensure that the questionnaire and meaning of language would be credible to the participants. However, three questions were rewritten since they contained difficult academic jargon, which some participants might not understand; the decision was to give more definitions for these terms.

5.4.1.1.3 The Explanatory Letter

A formal covering letter from the researcher requesting the recipients to facilitate the researcher's mission and to provide him with necessary information for the intended study was prefaced in English and then translated into Arabic. According to Saunders et al. (2003) most self-administered questionnaires are accompanied by a covering or

explanatory letter to explain the purpose of the research. The explanatory letter helps to increase the response rate. The explanatory letters in this study were written on a single page and used a University of Abertay Dundee letterhead. The questionnaire included the explanatory letter explained the aim and importance of the study, encouraging participants to co-operate by providing accurate data, urging the return of the completed questionnaire, and assuring them of the confidentiality of the information.

5.4.1.1.4 Pilot Study

To ensure that the data that would be obtained from the questionnaire would be valid and reliable, the researcher carried out a reality test “pilot study” in the Libyan banks using 15 employees. They were asked if there were any questions that they believed to be important to be included or not. Hence, the following questions were asked in the pilot study:

- Are the instructions clear enough?
- Which, if any, questions are unclear or ambiguous?
- Which, if any, questions did you feel uneasy about answering?
- Are there, in your opinion, any significant topic omissions?
- Will you please add any comments or suggestions?

A pilot study is one of the most important steps and necessary for the success of any research and to achieve a better understanding of the research context and phenomenon. It was the final stage prior to commencing gathering the actual data from the field. Saunders et al. (2003, 308) state that “*the purpose of the pilot test is to refine the questionnaire so that respondents will have no problems in answering the*

questions and there will be no problems in recording the data. In addition, it will enable you to obtain some assessment of the questions' validity and the likely reliability of the data that will be collected".

Therefore the purpose of the pilot study was to assess whether the questions elicited the information being sought by the study, to foresee any difficulty in understanding the questions and to request the participants to give their comments and suggestions. The researcher sat with some of the respondents with whom he was already familiar and discussed the questionnaire in an attempt to achieve the best wording. Minor modifications, as a result, were made on the bases of the responses from the pilot study, for example ambiguous words were changed. As a result of the pilot study, and the discussion with relevant people, the researcher was able to confirm that his questionnaire was suitable and appropriate to the aims of the study.

5.4.2 Interview

The most widely used qualitative method in organisational research is the interview instrument. Interview in qualitative research is most appropriate where exploratory work is required. It is a highly flexible instrument, it can be used almost anywhere and it is capable of producing data of great depth (King, 1994). Kvale (1996, 174) defines a research interview as "an interview, whose purpose is to gather descriptions of the meaning of the described phenomena". Other methodologists assert that the interview is an important qualitative data gathering instrument because qualitative research is mainly concerned with seeing and understanding the full picture of the event being studied and that can be achieved only by the interview approach (Denzin and Lincoln, 2003; Kvale, 1996).

Personal face-to-face interviews can be divided into three types: in-depth unstructured informal interviews, structured interviews and semi-structured. In the structured or standardised interview, a set of pre-determined questions is asked so that the responses are recorded on a standardised schedule. The semi-structured interview is a non-standardised interview; the researcher has a list of themes or questions to cover during the interview. These themes and questions may vary from one interview to another depending on specific organisational context and on the interview conditions. Thus, the researcher may omit some questions in a particular interview or, maybe, add further questions to supplement or explore the research questions and objectives. In addition, the order of the questions may vary depending on the flow of the conversation, so the number, the order and the formulation of the interview questions may vary from one interview to another. Data collected by the interviewer are recorded by note taking or tape recording. An unstructured or informal interview is also called an in-depth interview and has no predetermined list of questions or theme. However, the interviewer has to have general ideas about the areas or aspects to be explored since this type of interview helps to explore a general area in depth. The respondent or interviewee is given the chance to talk freely about the situation, event, behaviour or beliefs in relation to the topic area, so this type of conversation is called non-directive.

Thus, based on the above the researcher decided that top managers and the persons responsible for training and development programmes in the Libyan banking sector would be interviewed, rather than asked to complete a questionnaire on which they may be reluctant to spend time providing written explanatory answers for someone they have never met. In addition, from the outset the researcher was convinced of the value of using face-to-face interviews as a means of data collection to conduct this

study because of their advantages in exploring a wide range of issues related to the research questions. In addition, they complement the questionnaires and can explore or explain, in depth, any further details, information, themes and facts under investigation behind the questionnaire's responses. In other words, it was to supplement and validate the questionnaires' findings. Also, the interviews provide the researcher with some important information when interpreting the questionnaires' findings. Finally, it is important to say that, since the researcher has predetermined themes and issues which need to be explored, rather than leave the respondents to talk in general ways around the research problem and then focus on particular themes, it was decided that the type of interviews should be semi-structured.

5.4.2.1 Structure of Research Interviews

It was decided that semi-structured interviews would be used with top managers and training and development managers of nine Libyan banks because of their importance for the success of training and development programmes in their banks. This type of interviews is very rich in providing in-depth analysis of the points under investigation. The questions of the interviews guide were mainly open-ended, broad and indirect questions and designed to collect rich, deep and comprehensive information about the training and development processes carried out by these banks.

- **Top Managers' Interview**

The top managers' interview was broken down into four main sections and contains 10 questions (see Appendix B for more details). The first section (2 questions) begins with the position of training and development in the banks. Therefore, it includes

questions about the importance of training and development programmes and so on. The second section (3 questions) aims to obtain information related to the bank's training and development significance and outcomes. Thus, top managers were asked whether they think training and development is effective in their banks, in terms of achieving its objectives. The third section (2 questions) is concerned with exploring all training and development problems and obstacles from the top managers' viewpoints. The final section (3 questions) focuses on the process of skills and knowledge transferring. It is concerned with investigating whether or not trained employees apply or transfer what they have learned in training and development programmes. In addition, there were also open questions about the type of support needed to improve training and development activities in their banks'.

- **Training Managers' Interview**

The training and development managers' interview was divided into three main sections and contains 13 questions (see Appendix C for more details). The first section of the interview (8 questions) aims to understand how training and development is conducted in the Libyan banks (training needs assessment, training methods and training evaluation). The second section (2 questions) focuses on the problems, obstacles and challenges that might face training and development in these banks. The final section (3 questions) highlights whether or not the employees apply or transfer what they have learned in training and development programmes. Also, they were asked about the type of support needed to improve training and development programmes.

5.4.3 Ethical Considerations

Specified ethical issues and aspects were considered by the researcher during the entire research process in relation to research design, data collection and analysis. The most important issues and concerns that the researcher had to consider and fulfil were:

- Informing the participants in details about their involvements in the research (informed consent).
- Avoiding harm and risk.
- Allowing free choice.
- Ensuring privacy.
- Confidentiality.
- Anonymity.

All these issues were addressed clearly by the researcher in the ethical approval application submitted to the University of Abertay Dundee – Dundee Business School, UK. The researcher explained and justified how participants would be informed about the research project and how the data would be collected. In addition, assurance for avoiding any harm and risk to the participants during the data collection and analysis process was given and the free choice of withdrawing from the study at any time was assured. Likewise, ensuring privacy, confidentiality and anonymity of the responses and identities during the data collection and analysis processes were provided for in the ethical application. As a result, all the collected data remained confidential and anonymous. The first task was to obtain informed permission from the participants after fully informing them of the purpose and aims of the study, anticipated uses of the data, identity of the researcher, the respondent's role in the research, degree of anonymity and confidentiality, the methods to be employed and

the anticipated length of questionnaires and interviews. Furthermore, all the responses were transcribed and as soon as the transcribing was completed and checked for accuracy, duplicates were made and the original names were erased. Only the researcher knew the real names of the participants involved in the study. Most of all, the researcher promised the participants to send a copy of the findings when the research is completed, if requested.

5.5 The Fieldwork

The fieldwork of this study was conducted in Libya from January 2009 to February 2009. Foddy (1993; 51) stated, "If we as researchers want to obtain good data it would be better that the persons we are interviewing trust us enough to believe that we will not use the data against them". Therefore, in order to establish trust an initial stage of the fieldwork process was a letter sent to each bank's headquarters requesting an opportunity to conduct interviews with their top manager and training and development manager and to distribute questionnaires to employees. Subsequently, a personal visit to each bank's headquarters by the researcher to introduce himself, discuss the nature of his study, obtain permission and approval to conduct the study in their banks, and to build a strong trust with them. The personal letter from the researcher was accompanied by a formal covering letter from the researcher's supervisor urging the participants to co-operate with the researcher. That was very useful to get the participants' assistance in completing the questionnaires. In this letter the researcher stressed that the information provided by the participants would be treated with the utmost confidentiality and no personal or bank' names would be mentioned in the report of the study. The researcher left another section at the end of

the questionnaire for the participants to give any further comments on the questionnaire. All the banks responded and agreed to participate. This kind of visits is very important to build trust with participants, to encourage them to participate. In addition, through these visits the researcher was able to determine the name of the persons to be interviewed. Moreover, appointments to bring the questionnaires were decided in these visits.

5.5.1 Distributing of Questionnaires

Most of the banks nominated a contact person to help in introducing the researcher with his former university colleagues to the participants and to help distribute the questionnaires. On Monday, 5 January 2009, the researcher personally distributed the questionnaires to each participant with the help of former university colleagues and giving them a week to fill them out in their own time. At each visit the researcher delivered the questionnaires to the participants to make sure that the questionnaires would be completed by them. A period of a week was given to each participant to answer the questionnaire and to have it ready for collection. When the researcher met the participants in each of the participating banks, he reminded them about the questionnaire. After a period of one week if the questionnaire was not ready or if the participant had lost the questionnaire, another four days were given or a replacement questionnaire was given.

The researcher collected the questionnaires after eleven days on Thursday, 15 January 2009 from the participants to ensure their privacy, confidentiality, and anonymity. Because all of the surveyed banks were located in the same city (Benghazi) of the

researcher, so it was easy for him to go from one to another. The other reason made the collection easy was that the size of the total population was small.

5.5.2 Response Rate

As mentioned earlier, because the population of this study is small, the sample targeted the entire population, which consisted of nine banks. According to Oppenheim (2000) the following factors have been found to increase the response rate:

- Advance warning: informing the respondents of the study in advance.
- Explanation of selection: explaining the method of sampling used.
- Sponsorship: motivate the respondents.
- Confidentiality: assuring respondents that all information will be totally treated confidentiality.
- Incentives to the respondents.

The total of 225 questionnaires were sent to nine banks (25 questionnaires for every bank), a total of 217 questionnaires were returned, making a response rate of 96.4%. Of these 217 responses, six questionnaires were excluded for incomplete responses. This leaves the study with 211 employees' questionnaire useable responses for data analysis and a final response rate of 93.7%. This seems to be adequate and acceptable in the field of management and as compared with the response rate in similar studies. Further information is detailed in Table 5.1

Table 5.1 Response Rates to Employees' Questionnaires

Bank	Distributed	Returned Response	Percent	Completed Response	Percent
National Commercial Bank	25	25	100	24	96
Umma Bank	25	24	96	23	92
Jumhuriya bank	25	22	88	22	88
Sahari Bank	25	23	92	22	88
Wahda bank	25	25	100	23	92
Agricultural Bank	25	25	100	24	96
Savings and Real Estate Investment Bank	25	24	96	24	96
Development Bank	25	24	96	24	96
Libyan Arab Foreign Bank	25	25	100	25	100
Total	225	217	96.4	211	93.7

It appears that the response rate for this study was high for the following reasons:

- The way by which the questionnaire (self-administered) affects the response rate. This method is recommended by authors as a good way of data collection (e.g. Hussey and Hussey, 1997; Oppenheim, 2000; Sekaran, 2003). The rationale for the use of this method is its ability to assure a high response rate. In addition, there are other advantages, such as low cost and little time spent in collecting the questionnaires.
- The explanatory letters accompanied the questionnaire and the semi-structured interviews. The letters explained the research objectives. In

addition, it assured the respondents that their co-operation is the main contribution to the success of this study.

- Personal visits were conducted to remind the respondents to answer the questionnaires.
- The full cooperation of the questionnaire's participants and their interest in the study was very important to secure an appointment for conducting many of the semi-structured interviews.

5.5.3 Conduct of Semi-structured Interviews

Given that all participants were heads of banks and training managers and were very busy, there was a deliberate attempt not to put any pressure on them concerning the interview arrangements. Hence, the interviews were conducted at a date, time and venue convenient and suitable to them. Appointments with participants to conduct interviews were set up by the researcher's effort through visiting the secretaries' offices to set appointments with their bosses, or by questionnaire participants in each bank. An agreed date, time and venue were set for each interview session.

The interview procedure was very similar to that of the questionnaire. Thus, the researcher initiated the interviews by:

- Introducing himself and giving details about himself. This is to personalise and humanise the researcher and thereby establish some trust on the respondent's part.
- Briefly describing the purpose of the study.

- Offering to send a copy of the findings when the research is completed, if requested. This gesture was intended to encourage the respondents to answer all the questions in full and as a way of thanking them.
- Emphasising to the respondents that all the information would be handled confidentially and for research use only, promising complete anonymity for the respondents and their banks.

All interviews were conducted in the respondents' offices either in the late-morning or early afternoon between 23 January 2009 and 31 February 2009; this was a suitable time to make contacts with the government organisations before the summer holiday. However, the interviewees chose the time of interviews. Each interview session lasted approximately 45 to 60 minutes with each respondent using a semi-structured interview guide, depending on the depth and requirements of the discussions. The length of 45 to 60 minutes interview session was adequate to gain rich and comprehensive picture about training and development process. Checking the completeness and consistency of the interview forms was made daily after the collecting process. The revision of the forms was made according to the researcher's own system and daily progress was recorded.

The questions included were open-ended with some close-ended questions. However, the interviewees talked in general and, actually, they provided more important related issues. Notes were taken during interviews followed by a summary of the main points and issues raised in the interviews. Finally, at the end of each interview the researcher thanked the respondent for their time and assured utmost confidentiality of the data provided.

5.5.4 Validity and Reliability Evaluation

Validity and reliability are the basic criteria for evaluating the accuracy and precision of the study instruments and methods. Since the researcher applied two data collection, before, during and after collecting the data several procedures were undertaken to ensure validity and reliability of the study findings as follows:

5.5.4.1 Validity

Validity refers to the accuracy and trustworthiness of instruments, data and findings in the research (Bernard, 2000). McKinnon (1988) defined validity in general terms as it is concerned with the issue of whether researchers are studying the phenomenon they purport to be studying. Validity is the most important criterion of research, it is concerned with the integrity of the conclusions that are generated from a piece of research (Bryman, 2001).

The validity was fulfilled in the current research by:

- The entire population was targeted as the sample for this study (training and development managers and top managers) in the Libyan banking sector, with a high response rate for the instruments (100%).
- Selecting all the banks in Libya which is an extremely high sample rate and as a result enhance the generalisability of the finding of the research.
- Saunders et al. (2003) state that, usually, the validity of in-depth and semi-structured interviews is very high. This refers to the flexible and responsive interactions which are possible between the interviewer and

respondents allowing the meaning to be probed, the topic to be covered from a variety of angles and questions made clear to respondents.

- Designing and asking questions during the interview sessions which effectively captured a comprehensive and rich understanding about the research main issue relevant to the training and development process.
- Using multiple sources of evidence multi-method (triangulations) such as semi-structured interviews and questionnaires. Many questions were asked in both instruments to ensure that findings resulted from one method will be validated by the findings from the other method.
- An extensive literature review was undertaken to define and clarify the scales and measures used in this study. As mentioned above when the researcher developed the questionnaire of this study many items and scales were adopted from several studies, which place an emphasis on meeting the requirements of validity and reliability.
- In addition, the questionnaire items were scrutinised and pre-tested by several pilot test stages, by the researcher's supervisor and many doctoral students to judge the content and construct validity of the questionnaire. They suggested that the construct validity of the questionnaire was established.
- The researcher distributed the questionnaires by himself. That is to introduce the questionnaires and explain any misunderstanding about questions.

5.5.4.2 Reliability/Dependability

Reliability is also known as dependability in the literature and it illustrates the level to which the instrument is stable and consistent with measuring the concept to allow repeating the same research using the same method, sample and data collection produced so as to obtain the same results of those previous study (Sekaran, 2003).

Reliability was achieved in the current research by:

- Collecting the data through questionnaire with the trained employees who participated in training and development process increases significantly the reliability of the finding of the research.
- Collecting the data through semi-structured interviews with the managers increases significantly the reliability of the finding of the research.

5.6 Data Analysis

A common failing is to clearly define and stick to a unit of analysis that is appropriate to exploring the theoretical issues underpinning the research (Yin 2003). Selection of the appropriate unit of analysis results from accurately specifying the primary research question. Yin (2003) stated that the key to determining the appropriate unit of analysis remains the research questions defined for the study. To analyse the data from the interviews and the questionnaires for this study two approaches were considered, a manual approach and a computerised approach.

5.6.1 Quantitative Data Analysis

A descriptive analysis for all the questions in the questionnaire is presented in the next chapter in order to obtain a comprehensive picture of the research findings and issues. The researcher found that the descriptive method was the most appropriate since the nature of the study objectives and questions was to explore, discover and describe the current situation and practices of training and development in Libyan banks, rather than testing particular hypotheses. In this regard, Hair et al. (2003, 252) stated that, “data is collected in business research for two broad purposes discovery and hypothesis testing. When the purpose is discovery the researcher uses descriptive statistics. When the purpose is hypothesis testing the researcher uses inferential statistics”. The researcher analysed the questionnaire data by using the Statistical Package for the Social Sciences (SPSS) computer-based programme.

5.6.2 Qualitative Data Analysis

A descriptive analysis is used to present the findings from these interviews and, where appropriate, some of the most indicative statements are quoted from the interviews to illustrate relevant points. Qualitative analysis means theoretically interpreting the textual data by means of explicit analytic tactics to transform the raw data into a new and logical interpretation and description of the event being investigated (Thorne, 2000). In view of the fact that qualitative research deals with words rather than numbers, there are few accepted rules and standardised procedures for analysing the qualitative data. Hence, a number of data analysis techniques came into sight (Bourgeois and Eisenhardt, 1988). Nevertheless, any analysis technique should be returned to the conceptual framework and the research questions and, thus, the

collected qualitative data must be categorised through and assessed with respect to the research questions posed and the identified concepts (Maione, 1997; Ticehurst and Veal 2000). Therefore, it will start by categorising the data into meaningful categories, unitising the data which is about attaching units of data to the appropriate category or categories that were devised already.

To analyse the data from the interviews for this study a manual approach was considered. Since the population was quite small with only 18 interviews no significant advantage was anticipated in using a computer programme and it was therefore decided to conduct the analysis manually.

5.7 Summary and Conclusion

This chapter began with a discussion of three different methods or approaches that can be used to guide the research process. These were the quantitative method, qualitative method and multi-method (triangulation). Therefore, the appropriate research design and multi-method (triangulation) settings that were undertaken to conduct the current study have been explained and justified. The development of the instruments for each group was described. In addition, this chapter has outlined the procedures followed in collecting data with consideration given to maximising reliability and validity and ethical issues relevant to human research were also discussed. Lastly, data collection and analysis method and processes were explained. In the following chapter, a statistical description of the data gathered by the questionnaires and interviews is presented.

Chapter 6: Analysis of Data and Presentation of Findings

6.1 Introduction

The main purpose of this chapter is to analyse the data gathered by the semi-structured interviews and questionnaires, and to present the findings of the study. To analyse the data, two approaches were considered: A manual approach and a computer-based approach. Since the population for top managers and training managers was quite small no significant advantage was anticipated in using a computer-based programme and it was therefore decided to conduct the analysis manually. But for employees' questionnaires the sample (211 employees) was large enough to use the Statistical Package for the Social Sciences (SPSS) computer-based programme for analysing the data.

This chapter is divided into two major parts, analysis of managers' responses and analysis of employees' responses. The first part (analysis of managers' responses) is divided also into two main sections concerning each of the interviews: top managers' responses and training and development managers' responses. The second part (analysis of employees' responses) presents the analysis of employees' questionnaires.

Part One: Analysis of Managers' Responses

Data were produced from the semi-structured interviews in addition to other sources of data relevant to the research, all of which were used in order to achieve the research objectives. A descriptive analysis is used to present the findings from these

interviews and, where appropriate, some of the most indicative statements are quoted from the interviews to illustrate and clarify relevant points. This part of the analysis is divided into two sections, top managers' responses, and training and development managers' responses.

6.2 Top Managers' Responses

In this study, as discussed in the previous chapter, the researcher conducted semi-structured face-to-face interviews with nine top managers of Libyan banks (all participants were heads of banks). The objectives of the interviews were to explore in-depth: How top managers viewed training and development; what they thought about it; whether they thought training and development had influenced or helped in improving the banks' performance or not; what problems and challenges had faced training and development; and what needed to be done in order to improve training and development functions.

6.2.1 The Managers' Views on the Importance of Training and Development Programmes

The starting point for the discussion during the semi-structured interviews was to know the importance of training and development programmes. The top managers were asked whether they thought that training and development had been important for their banks' success. The responses for this question were emphatically positive. All the interviewees recognised the vital role of training and development for the survival of any organisation. More to this point, one interviewee said:

“In order to provide a consistently high level of service, it takes more than just having the right people in the right jobs and empowering them. They must also be trained to deal with customers and to rectify the inevitable problems that arise”.

6.2.2 The Managers’ Views on Training and Development as a Cost or Investment

In order to explore the managers’ views on training and development as a cost or as an investment, all the interviewees fully conceded and emphasised that the training and development activities had been an investment rather than a cost and were not leisure activities or time wasted. More to this point, one manager said:

“The training is investment in employees (human capital) that mean the organisation will achieve higher returns in the future”.

The other one also stated:

“Training is investment in people in order to improve labour productivity and consequently organisational performance”.

6.2.3 The Managers’ Views on the Success of their Training and Development Programmes

The interviewees were asked whether or not they thought their training and development programmes were successful in achieving their intended objectives. Most of them (6 out of 9) stated that their training and development programmes were not effective, in general, and mostly did not achieve their objectives and the reasons were:

One interviewee stated:

“The majority of training and development programmes are conducted outside the bank and designed in a general way and they were not suitable for the particular bank’s needs”.

Also, another interviewee mentioned:

“Most employees don’t apply what they learn from training and development in their work place”.

6.2.4 The Managers’ Views on the Significance of their Training and Development Programmes

All the interviewees emphasised the importance of assigning training to a particular training and development department. They argued that the particular training and development department would mean that more focus, attention, money, time and people will be allocated to training and development programmes. For example, one manager said:

“I think training and development should have a particular division employed by qualified staff, who is supposed to be responsible and able to manage training and development activities including training needs assessment, planning, implementation and evaluation processes”.

Most of the top managers were not sure whether or not the level of training and development activities had been sufficient. Only three of them disagreed that their level of training and development had not been sufficient. Regarding the link between training and development activities and programmes, and the banks’ objectives and strategy all of the managers interviewed agreed and one of them commented that:

“Linking training and development programmes with the banks’ objectives and strategy is very important. We have long plan for the bank

and we train and develop our employees to get the bank's objectives and all the training activities linked already with the bank's strategy".

Also, the managers were asked about the evaluation process for training and development programmes in their banks. They were asked whether training and development plans and policies had been translated into measurable and workable programmes. All of the interviewees disagreed. In this respect, one of the interviewees explained and said that:

"Since external providers conduct most training and development programmes outside the banks, they do not evaluate these programmes, instead they depend on those external providers to do the evaluation for them".

Another top manager replied:

"In evaluating the trainees we depend on their reaction towards the training and development course in addition to asking the trainers about the trainees; what is more we sometimes ask those trainees to do presentations for what they learnt from the course".

It can be concluded from the above that most of the top managers were not sure whether or not the level of training and development activities had been sufficient. Also, all of them agreed that the importance of the link between training and development activities and the banks' objectives and strategy. All the managers agreed that the system and the management of their banks supported employees to transfer what they had learned to their workplace, and that the culture in their banks had been supportive of training and development programmes. Also, all they thought that the contribution and involvement of line managers in training and development activities and programmes is important while all of them disagreed that the training

and development plans and policies translated into measurable and workable programmes.

6.2.5 The Managers' Views on the Impact of Training and Development Programmes

The managers were asked whether they thought training and development had high, low or no impact on the expected performance outcomes. It can be seen from Table 6.1 below that four of the top managers revealed that training and development did not impact on profitability while only three of them were not sure, and two managers mentioned that training and development had a high impact on profitability. In this respect one interviewee said:

“Any organisation that provided their employees with training and development programmes gained a good performance. I met an international bank manager many years ago and he advised me to train our employees to get better in the market”.

Four managers were not sure if the training programmes had any impact or not on productivity, and only two believed it had high impact and three thought that training and development had no impact on productivity. One of the interviewees replied:

“I think the impact of training and development on product and services quality is more obvious or clear in the manufacturing organisations than banks”.

Table 6.1 The Impact of Training and Development on the Banks' Performance

Performance indicators	High impact		Low impact		Do not know		No impact	
	Count	%	Count	%	Count	%	Count	%
Profitability	2	22	-	-	3	33	4	45
Productivity	2	22	-	-	4	45	3	33
Cost reduction	2	22	6	67	-	-	1	11
Quality of services	7	78	2	22	-	-	-	-
Reputation of the bank	3	33	4	45	-	-	2	22

Most of the top managers interviewed believed that training and development had low impact on cost reduction, but only two thought it had high impact and just one of them believed that it had no impact on cost reduction. Also, the majority of interviewees believed that training and development impacted highly on the quality of service, while only two of them thought that training and development had a low impact. In this respect one interviewee stated:

“I’m sure the impact of training and development on services quality is obvious and clear in the performance of employees and the bank. Our employees when they get training their performance in the bank became better than before”.

Finally, two top managers thought that training and development had no impact on the reputation of the bank. On the other hand, only four thought it had low impact, while three of them believed that training and development had a high impact on the reputation of the bank.

Therefore, it could be concluded that most of the top managers believed that training and development had low or no impact on profitability, productivity, cost reduction

and reputation of the bank. Also, the majority of them believed that training and development impacted highly on the quality of service.

6.2.6 The Managers' Views on the Problems they Face when Implementing the Training and Development Programmes

The interviewees were asked about the problems they face when implementing the training and development programmes or activities in their banks. On this point, top managers' answers are summarised as follows:

- ***The lack of on-the-job training programmes***

One of the problems that the banks face when implementing training and development programmes is the lack of on-the-job training programmes and reliance mainly on external training and development programmes. To support this point one of the top managers said:

"We don't have real training; we don't have internal training, all we do is to send our employees to some external training and development programmes outside the bank".

- ***Poor quality of external training and development centres***

Regarding the quality of training and development centres most of the managers criticized the quality of the training and development programmes provided, in terms of planning, content, delivery methods which is always lectures and evaluation method. In this context a manager described his own experience with some external training and development programmes conducted by external providers by saying:

“In the past I attended many training and development courses conducted by external centres in Libya. I found most of them repetitive, boring and a waste of time and money. They were basically lectures where someone talked about something he did not practise. So I stopped attending such programmes”.

- ***The lack of well-qualified internal and external trainers***

Four managers said that the Libyan trainers were not well-qualified and they were good lecturers rather than good trainers. In this regard one manager said:

“Trainers in the external training and development programmes keep talking without giving core points (in general not specific). Sometimes our employees know better than them, which make the whole process a waste of trainees time and a waste of the bank’s money”.

6.2.7 The Managers’ Views on the Factors that are likely to Increase the Need for More Training and Development in the Future

It was very important to get the managers’ views regarding the factors such as privatisation, rapid change in technology, internal competition, external competition and customer changing needs that were likely to increase the need for more training and development within the Libyan banks because there had been a change in Libya toward more privatisation and more direct foreign investment. All the interviewees agreed that privatisation, rapid change in technology, internal competition, external competition and customer changing needs would increase the need for more training and development at present and in the future.

Regarding the rapid change in technology one of the top managers stated that:

“The only way to keep up with rapid change in technology is through a constant effort to increase training and development provision in our banks”.

Another top manager replied:

“The rapid advancement in technology facilitates the development of new banking services. Information technology is heavily used as a competitive weapon by changing the critical factors of competition, and the expanding use of technology, as a further response, allows banks to reengineer, cut costs down and finally set free cashiers and employees from bureaucratic activities. For these reasons, attention to training and development is no longer a matter of choice, but a vital necessity”.

As regards to internal and external competition one of the top managers said:

“Competition stimulates the need for better skilled and more adaptable employees and will raise up to international standards, otherwise, they would find it very difficult to remain in business in the future”.

Also another manager said:

“In order to sustain our internal and external competitiveness and survival in the new reality, the Libyan banks must adopt more dynamic human resource development strategies and gave emphasis on the training and development of their employees, because nowadays employees in the international banks are knowledgeable and informative and they know what sort of rights or benefits they should have”.

In relation to customer changing needs one of the top managers said:

“The customers demand better delivery channels and more reliable and responsive services”.

Another top manager stated:

“Customer service has always been one of the top issues raised in management meetings and they asserted that flexibility is important in a customer service culture. Each customer is a challenge and employees need to be flexible to provide a variety of services in response to customers’ enquiries and to meet customers’ expectations”.

Also one of the interviewees replied:

“Employees must be flexible enough to take advice or try new approaches to doing things, particularly in this changeable and competitive environment. Due to the particular characteristics of bank industry, it is important that the employees’ personality can fit in the industry. Improvement in service standards in other international banks also raises the expectations of Libyan banks’ customers. In other words, to improve competitiveness, banks have to satisfy their customers by providing higher quality services”.

Language proficiency was also highly emphasised by five interviewees. For example one of them said that:

“The frontline is the most important position which requires language. Thus, Libyan banks have to offer language training programmes at least to the frontline employees”.

Therefore, it can be concluded that all of the respondents agreed that privatisation, rapid change in technology, internal competition, external competition and customer changing needs increase the need for more training and development at present and in the future.

6.2.8 The Managers' Views on the Application of the Acquired Training and Development Knowledge

The interviewees were asked whether or not trainees had applied what they had acquired from training and development programmes and activities into their workplace. Top managers' answers are summarised as follows:

Some top managers emphasised the application process depends on the subject of the training and development programmes. For instance one of them said:

“If training and development programmes or activities were about practical issues, the application process would be easy, while if it were about behavioural aspects like dealing with customers, the application process may take time to show its results and may be difficult”.

Also, another top manager said:

“The lack of on-the-job training and, because most training and development programmes are conducted outside the banks, this might make the application process some times difficult for the employees in their workplaces, or the training and development programmes do not suit the real needs of a particular bank because most of these external programmes are designed in a general way to suit many banks”.

Another top manager stated:

“Training and development has always been implemented but merely as a needful activity without much planning or means to measure their effectiveness as well return on investment to the bank”.

More to this point, one of the respondents said:

“The linking of training and development to a rewarding system and financial incentives could affect the application process and a good way to encourage employees and to increase organisational effectiveness”.

Therefore, it can be concluded that some top managers' emphasised that the application process depends on the subject of these programmes. If it were about practical issue the application process would be easy, while if it were about behavioural aspects the application process may take time to show its results and may be difficult. Also, some of them said that most training and development programmes had been conducted outside the banks, this might have made the application process sometimes difficult for the employees in their workplaces. Moreover, some managers said that the linking of training and development with a rewarding system and financial incentives could affect the application process.

6.2.9 The Managers' Views on the Environment of Support Needed to Improve Training and Development Activities

The interviewees were asked about what type of support was needed to improve training and development activities in their banks. Their answers are summarised as follows:

Most of the top managers stressed the need for well-qualified trainers. For example, one of them said:

"We need skilled and specialist internal training and development staff, who are up-to-date with training and development issues. Also, the need for more on-the-job training, because that makes training and development applicable and saves time and money".

Another top manager underlined the importance of linking training and development activities to promotion, rewards and punishments system and said:

"We need to link the transfer of newly gained training and development skills and knowledge to promotion, rewards and punishments system".

Three top managers stressed the need for more attention and effort to be given to knowing how to determine training needs. For example one of them said:

“We must involve line managers in designing training and development activities objectives”.

Another top manager said:

“We actually spend a lot of money on training and development programmes every year. We offer all facilities for training and development activities, but it seems that these programmes do not work. I don't know what is wrong with us, employees, training and development programmes or the environment surrounding us”.

Therefore, it can be concluded that most of the top managers stressed the need for well-qualified trainers; the importance of linking training and development activities with promotion, reward and punishment systems; and the need for more attention and effort to be given to knowing how to determine training needs.

6.2.10 Summary of Top Managers' Response

In overall, regarding the top managers' response, it can be concluded that all the interviewees recognised the vital role of training and development for the survival of any organisation, and fully conceded and emphasised that the training and development activities had been an investment rather than a cost. Regarding the success of training and development programmes in Libyan banks most of interviewees stated that their training and development programmes were not effective, in general, and mostly did not achieve their objectives. Also, all the top managers believed that training and development had low or no impact on

profitability, productivity, cost reduction and reputation of the bank, and the majority of them believed that these programmes impacted highly on the quality of service.

Moreover, all the interviewees emphasised the importance of assigning a particular training and development department, and most of them were not sure whether or not the level of training and development activities had been sufficient. All of the managers agreed that the importance of the link between training and development activities and the banks' objectives and strategy, and they agreed that the system and the management of their banks supported employees to transfer what they had learned to their workplace. In addition, most of them said that the culture in their banks had been supportive of training and development programmes. Also, they thought that the contribution and involvement of line managers in training and development activities and programmes is important. However, all of them disagreed that the training and development plans and policies translated into measurable and workable programmes, and the main problems they face when implementing the training and development programmes in their banks are the lack of on-the-job training programmes, the poor quality of external training and development centres, and the lack of well-qualified internal and external trainers.

Furthermore, all of the interviewees agreed that privatisation, rapid change in technology, internal competition, external competition and customer changing needs would increase the need for more training and development at present and in the future. Some of them emphasised that the application process depends on the subject of these programmes. If it were about practical issues the application process would be easy, but if it were about behavioural aspects the application process might take time to show its results and might be difficult. Also, some of the managers said that

most training and development programmes had been conducted outside the banks. This might have made the application process sometimes difficult for the employees in their workplaces. In addition, some managers said that the linking of training and development with a rewarding system and financial incentives could affect the application process. Finally, the type of support needed to improve training and development activities the need for well-qualified trainers, linking training and development activities with promotion, reward and punishment systems, and more attention and effort to be given to knowing how to determine training needs.

6.3 Training and Development Managers' Responses

As reported in chapter five the researcher conducted semi-structured face-to-face interviews with nine training and development managers of Libyan banks. The objectives of the interviews were to explore in-depth how training programmes had been implemented and to uncover the problems and obstacles they had faced in the process of implementing these programmes. The first section of the interviews was to understand how training and development had been conducted in the Libyan banks in terms of training needs assessment, training methods, and training evaluation. Section two focuses on the problems, obstacles and challenges that might be faced in implementing training and development programmes in these banks. The final section focuses on the skills and knowledge transfer and the support needed to improve training and development activities.

6.3.1 The Training Managers' Views on the Current Practices of Training and Development

This section presents and analyses the data collected on how training and development was conducted in Libyan banks. This section is divided into training needs assessment, training methods and training evaluation.

6.3.1.1 Training Needs Assessment

The interviewees were asked how training needs assessment is conducted in terms of the methods used in determining training needs, the indicators for training needs assessment and the conditions under which training is provided to employees.

- ***Conducting Training Needs Assessment***

The respondents were asked if they carried out training needs assessment process or not. The majority of the respondents stated that their banks conducted training needs assessment sometimes and the majority of training needs were identified according to job requirements. One of the respondents said:

“Our training needs are identified according to job requirements, and analysis is usually arrived at through the supervisors’ report only, rather than by reference to the annual performance appraisal”.

However, another training and development manager stated that:

“Training needs assessment and analysis is usually the result of a combined effort between the training and development department and the direct supervisor. This process is conducted according to job and person analysis with the exception of some tailored courses”.

Two respondents stated that performance appraisal reports were mostly used to determine training needs. For example one of them said:

“We mostly use the performance appraisal reports to determine training needs, because this report gives a picture of the weakness points of the employees”.

Three respondents said that they depended mostly on direct observation. For instance one of them replied:

“The observation is a good way to discover where the employees need to improve their skills and knowledge”.

- ***Training Needs Assessment Indicators***

The majority of the respondents stated that the lack of knowledge, lack of skills and introduction of new work method were considered as the most important indicators taken into account when assessing training needs. In this context one respondent stated that:

“It is necessary to train the employees when we have new work method, and that happened before when we computerized our services we trained the majority of the employees to use that modern way”.

- ***Frequency by which Training and Development is Provided***

Table 6.2 below shows that all the respondents concurred that training and development had been always provided when employees needed training on new technologies and new working methods. The second important condition for providing training was when performance appraisal assessment is made (89%). Seventy-eight of the respondents said that they sometimes provided training and

development. They did only when employees were newly recruited, when employees were upgraded to fill new positions and when a department requests it. And 78% of the respondents stated that they rarely provided training when employees requested it.

Table 6.2 Frequency by which Training and Development is Provided

When training is provided	Never		Rarely		Sometimes		Mostly		Always	
	Count	%	Count	%	Count	%	Count	%	Count	%
When new employees are recruited	-	-	-	-	7	78	1	11	1	11
When employees need training on new technologies and new working methods	-	-	-	-	-	-	-	-	9	100
When performance appraisal assessment is made	-	-	-	-	1	11	8	89	-	-
When employees are upgraded to fill in new positions	-	-	2	22	7	78	-	-	-	-
When a department requests it	-	-	-	-	7	78	2	22	-	-
When the employees request it	-	-	7	78	2	22	-	-	-	-

6.3.1.2 Training Methods

The interviewees were asked which training methods had been used and if they had acquired or gained any sort of assistance from external providers. On the issue of training methods used in training and development programmes, all the respondents concurred that the lecture was the most frequently used training method. In this context one respondent said:

“Theoretical classes are the most common technique, and that these are usually supported by seminars and sometimes for practical work using computers”.

When asked if they acquired assistance from external providers all the respondents replied that their banks acquired assistance from external providers during the preparation, the implementation of training and development programmes, and the evaluation process. And the most common assistance required were the design of the training and development programmes from the beginning and conducting training and development programmes, followed by making change to external training and development programmes to suit the bank's needs and providing the bank with specialist experiences. For example one respondent said:

“You know any organisation need some help in the field of human resource development from the experts or the specialists. Our bank requires sometimes assistance from external providers from the beginning the preparation step until the end the evaluation step”.

6.3.1.3 Training Evaluation

The interviewees were asked about training evaluation in Libyan banks, in terms of the importance of this stage and the evaluation methods used. All the respondents asserted that their banks had evaluated training and development programmes sometimes and their banks viewed training evaluation as a very important stage. Also, the majority of the respondents replied that asking trainees' managers or supervisors about the trainees' performance progress as a result of attending training and development programmes was the most frequently used evaluation method. In addition, four of the respondents replied that performance appraisal reports were also mostly used as an evaluation method for training and development programmes. The following statements from some managers support the above findings:

“The initial assessment is the final certificate and the real evaluation usually comes later as the performance on the job is monitored and assessed by the direct supervisors”.

“The final report is usually sent directly to the bank and this would provide some feedback about the trainee’s performance”.

“There is no training and development evaluation, as this function has to be done through training centres by sending the final report to the bank’s training department, but unfortunately this has not happened to date”.

Therefore, it can be concluded that the majority of the respondents stated that the majority of training needs were identified according to job requirements. Also, the majority of the respondents stated that the lack of knowledge, the lack of skills, and the introduction of new work methods were considered as the most important indicators taken into account when assessing training needs. Moreover, all the respondents concurred that training and development had been always provided when employees needed training on new technologies and new working methods. The second most important condition for providing training was when performance appraisal assessment is made.

Also, all the respondents agreed that the lecture was the most frequently used training method, and all of them replied that their banks acquired assistance from external providers during the preparation, the implementation of training and development programmes, and the evaluation process. And the most common assistance required was the design of the programmes and conducting training and development. Finally, the majority of the respondents agreed that asking the trainees’ managers or the supervisors about the trainees’ performance progress as a result of attending training and development programmes was the most frequently used evaluation method.

6.3.2 The Training Managers' Views on the Training and Development Problems and Obstacles

This section analyses and presents the data regarding the main problems and obstacles they face when implementing training and development programmes in Libyan banks. This part is divided into two sections: The main problems and obstacles, and the future challenges.

6.3.2.1 The Main Problems and Obstacles

All the respondents agreed that poor planning for training and development and the difficulty in determining training needs were the most important factors that hindered training and development activities in the Libyan banks. For example one of the respondents said:

“There is a lack of clear strategies and poor planning for training and development”.

Another respondent also stated that:

“The most important training and development obstacles are the lack of good private training centres and sending inappropriate persons to the training programmes”.

6.3.2.2 Future Challenges that are likely to Increase the Need for Training and Development Programmes

All the respondents strongly agreed that privatisation, internal and external competition and rapid change in technology would eventually force them to take the

necessary steps to put training and development activities at the forefront of their strategic concerns. In this context one of the respondents said that:

“Privatisation is the biggest challenge we are going to face, because the government always supports us to do all training and development activities and without that support I am not sure if we can do these activities perfectly as before or not”.

Therefore, it can be concluded from the above that all the respondents agreed that poor planning and the difficulty in determining training needs had been the most important factors that hindered training and development activities. Also, all of them strongly agreed that privatisation, internal and external competition and rapid change in technology would increasingly force them to take the necessary steps to put training and development activities at the forefront of their strategic concerns.

6.3.3 The Training Managers' Views on the Transfer of Skills and Knowledge and the Type of Support Needed to Improve Training and Development Activities

This section analyses and presents the data regarding the transfer of skills and knowledge and the type of support needed to improve training and development activities in Libyan banks.

6.3.3.1 The Use of Acquired Knowledge and Skills

The interviewees were asked about the use of employees' knowledge and skills in their workplace. All of them emphasised the subject of training and development

programmes, because the application process depends on the subject of the training and development programmes. For instance, one of them said that:

“The technical trainees were completely ready to apply their new skills and knowledge in their work place, and this could be done in a good implementation environment, whereas management trainees encountered some difficulties to apply their new skills or used them only to a limited extent”

6.3.3.2 Type of Support Needed to Improve Training and Development Activities

The interviewees were asked about what type of support was needed to improve training and development activities in their banks. The interviewees stressed the need for continuous training and development programmes. For example, one respondent stated that:

“Continuous training is a key point to create a warm and comfortable environment. Employees are expected to respond to customers complaints and handle a variety of problems and enquiries effectively and efficiently”.

Another respondent also replied that:

“Continues training is a major factor in maintaining high levels of service quality. After each training session, evaluation, follow-up, and assistance are needed to ensure that it translated into sustainable service quality”.

6.3.4 Summary of Training and Development Managers' Response

In overall, it can be concluded from the above that the majority of training and development managers stated that the majority of training needs were identified according to job requirements. Also, the lack of knowledge, the lack of skills, and the introduction of new work methods were considered as the most important indicators

taken into account when assessing training needs. In addition, all of them concurred that training and development had been always provided when employees needed training on new technologies and new working methods. The second most important condition was when performance appraisal assessment is made.

Also, all the respondents agreed that the lecture was the most frequently used training method, and all of them replied that their banks acquired assistance from external providers during the preparation, the implementation of training and development programmes, and the evaluation process. The most common assistance required were the design of the programmes from the beginning to conducting training and development. Concerning training evaluation methods, the majority of the respondents agreed that asking the trainees' managers or the supervisors about the trainees' performance progress as a result of attending training and development programmes was the most frequently used evaluation method.

Concerning to the main problems and obstacles, all the respondents agreed that poor planning and the difficulty in determining training needs had been the most important factors that hindered training and development activities. Also, in relation to the future challenges that are likely to increase the need for training and development programmes, all the respondents strongly agreed that privatisation, internal and external competition, and rapid change in technology would increasingly force them to take the necessary steps to put training and development activities at the forefront of their strategic concerns.

Moreover, all the respondents emphasised that the application process depended on the subject of the training and development programmes. Based on that, the technical

trainees were completely ready to apply their new skills and knowledge in their workplace, whereas management trainees encountered some difficulties to apply their new skills or used them only to a limited extent. Finally, the type of support needed to improve training and development activities, the interviewees stressed the need to have continuous training and development programmes.

Part Two: Analysis of Employees' Responses

This part presents the analysis of the data obtained through the use of questionnaires answered by the banks' employees. As mentioned earlier the questionnaire was designed to gather information from the employees who benefited from training and development programmes between 2000 and 2006 in the Libyan banks studied. This part of the analysis is divided into six main sections concerning with personal information for the employees, reactions to taking training, banks' training environment and support mechanisms, the perceived benefits of training, problems and obstacles, and further comments.

6.4 Employees' Responses

The questionnaire that was addressed to the employees consists of six sections and sixteen questions. From a total of 225 questionnaires distributed in nine banks (25 questionnaires for every bank), a total of 217 questionnaires were returned, making a response rate of 96.4%. Of these 217 responses, six were excluded for incomplete responses. This leaves the study with 211 employees' questionnaires with useable responses for data analysis and a final response rate of 93.7%. As mentioned earlier the researcher used the SPSS computer-based programme for the analysis of the data

obtained from the questionnaires. Data were computed and then tabulated in statistical tables.

The first stage of the data analysis involved observing, sorting and grouping the data. All data obtained from the questionnaires were transferred into a Microsoft Excel programme. Double checking the data entry was carried out throughout the process to avoid any error during the transfer. Data from a total of 211 questionnaires were transferred into the SPSS for analysis. The main step in the data analysis was frequency distribution. This is considered to be a simple means of analysing data by showing the frequency and the percentage of the variable categories. In addition, in these questionnaires, where some of the questions were designed as open-ended, data obtained from these questions were recorded on sheets of paper and then analysed qualitatively.

6.4.1 Personal Information

This section of the questionnaire consists of seven questions related to personal information of employees. The overall objective of this section was to look into the demographic profile of the participants, including job title, age, gender, academic qualifications, the current position in the bank, and experience. Table 6.3 below depicts the description of the respondents by their demographic variables. It can be seen that of the 211 respondents, 159 (75.4%) were male and only 52 (24.6%) were female. More than 19 percent (41 respondents) were between the age of 20 and 24 years; 67 (31.8%) were between the age of 25 and 29 years; 39 (18.5%) were between 30 and 34 years; 33 (15.6%) were between 35 and 39 years; and 31 (14.8%) were over 40 years old.

Table 6.3 Profiles of Respondents

Personal Information		Count	%
Job Title	Manager of department	32	15.2
	Administrator	37	17.6
	Officer	34	16
	Administrative support	34	16
	Finance	39	18.6
	Technical	35	16.6
Age	20 - 24	41	19.4
	25 - 29	67	31.7
	30 - 34	39	18.5
	35 - 39	33	15.6
	40 - 44	23	11
	45 - 49	8	3.8
	50 - 54 or more	0	0
Gender	Male	159	75.4
	Female	52	24.6
Education Level	High school or less	0	0
	Diploma	52	24.5
	Higher diploma	73	34.5
	University bachelor's degree	86	41
	Master's degree or higher	0	0
The Total Work Experience	Less than 10 years	108	51.3
	10 - 19	72	34
	20 - 29	31	14.7
	30 -39 or more	0	0
Work Experience in this Bank	Less than 10 years	137	65
	10 - 19	45	21.3
	20 - 29	29	13.7
	30 -39 or more	0	0

Also, 41% of the respondents had a university bachelor's degree, 34.5% held a higher diploma in business studies, and 24.5% held a diploma. That indicates that the respondents were well educated. Also, the Table shows that the respondents were employees in finance (18.6%), administrators (17.6%), technical staff (16.6%), administrative support (16%), officers (16%), and managers of department (15.2%).

The data above reveal that about 50% of the respondents had less than 10 years work experience, 34% had work experience ranging from 10-19 years, and the remainder had 20-29 years experience. In addition, 65% of the respondents had been working for their current banks for less than 10 years, 21.3% for 10-19 years, while 13.7% had been there for 20-29 years.

6.4.2 Analysis of Data Related to the Reactions for Taking Training Programmes

This section relates to part two of the questionnaire and covers questions 8-11. It presents and analyses the data collected about the reaction of trainees to the training and development programmes conducted in Libyan banks. This section covers objectives, content, usefulness and relevance of training and development programmes. Also, covers the trainers who teach the trainees in the Libyan banks.

6.4.2.1 The Objectives of Training and Development Programmes

Four statements were used to determine the objectives of training and development programmes in the Libyan banks. All the responses to the statements in Table 6.4 are positive with the majority of the respondents agreeing with these statements. Only a small number (4%) of the respondents remained not sure.

Table 6.4 Objectives of the Training and Development Programmes

The objectives of the training programmes	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
The objectives of the training programmes were built to increase customer satisfaction	-	-	-	-	9	4	202	96	-	-
The objectives of the training programmes were built to decrease the number of customer complaints	-	-	-	-	9	4	202	96	-	-
The objectives of the training programmes were achieved	-	-	-	-	9	4	202	96	-	-
I clearly understood the objectives of the training programmes	-	-	-	-	9	4	202	96	-	-

6.4.2.2 The Content of the Training and Development Programmes

This question consists of seven statements that were related to the content of training and development programmes.

Table 6.5 Content of the Training Programmes

The content of the training programmes	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
The content of training programme I attended had a practical application to my current job	-	-	-	-	4	2	203	96	4	2
The content of training programme I attended has been valuable for my career development	-	-	-	-	6	3	205	97	-	-
I found the content of the programme interesting	-	-	9	4	2	1	200	95	-	-
The training content was well organised	-	-	-	-	11	5	198	94	2	1
I have found the training programme very well presented	-	-	4	2	12	5	195	93	-	-
I have learned from the training programme	-	-	-	-	-	-	205	97	6	3
The training programme met my expectations	-	-	-	-	18	9	193	91	-	-

Table 6.5 above shows that the content of the training was generally found to be relevant to all employees. Over 91% of the respondents either agreed or strongly agreed that the content of the training and development programmes was relevant to their jobs.

6.4.2.3 The Usefulness and Relevance of Training and Development Programmes

This question consisted of ten statements that were related to the usefulness and relevance of training and development programmes. The programmes were generally found to be relevant to all employees. As shown from Table 6.6 about 89% of the respondents agreed that the training and development programmes were relevant to their jobs. On the whole, all employees stated that the programmes provided useful knowledge that they can apply in their jobs.

Generally, over 92% of the respondents agreed that the training and development programmes helped them to improve their work performance, to learn new and better ways of doing their job tasks. The majority of the respondents (77%) indicated that the training and development programmes had helped them to make better use of their time, to understand their responsibilities, to identify customers' needs and exceed customers' expectations. Also, 66% of the respondents agreed that the training and development programmes had helped them to know the requirements of the bank business. Only 34% disagreed with the statement.

Table 6.6 The Usefulness and Relevance of the Training Programmes

The programmes usefulness and their relevance	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
The training programme was relevant to my current job	-	-	4	2	18	9	189	89	-	-
The training programme provided useful knowledge that I can apply in my current job	-	-	-	-	-	-	211	100	-	-
The training programme would help me to improve my work performance	-	-	-	-	9	4	198	94	4	2
The training programme helps me to learn new or better ways of doing my job tasks	-	-	-	-	4	2	207	98	-	-
The training programme helps me to make better use of my time	-	-	35	17	13	6	163	77	-	-
The training programme helps me to understand my responsibilities	-	-	31	15	13	6	167	79	-	-
The training programme helps me to identify customers' needs	-	-	31	15	13	6	167	79	-	-
The training programme helps me to exceed customers' expectations	-	-	27	13	13	6	171	81	-	-
The training programme helps me to know the requirements of the bank work and the working process well enough to assist me in providing high quality performance	-	-	72	34	-	-	139	66	-	-

6.4.2.4 The Trainers

This question consisted of six statements that were related to the trainers who teach the trainees in Libyan banks. Table 6.7 shows that 77% of the respondents agreed that the trainers were able to teach the subject matter thoroughly while the rest of the respondents (33%) were not sure. Fifty-five percent of the respondents agreed that the trainers were able to encourage the interest of the trainees in the topic while the rest of the respondents (45%) were not sure. All the respondents agreed that the trainers were able to explain the subject in detail. Regarding the trainers and their help to the

trainees with the problems they face in the training programmes, 88% of the respondents agreed that the trainers help them to solve any problems they faced during the training programmes. In addition, all the participants agreed that the trainers were able to monitor the trainees’ progress and were able to give practical examples to support the topic.

Table 6.7 The Trainers

The trainer	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
My trainer was able to teach the subject matter thoroughly	-	-	-	-	48	23	163	77	-	-
My trainer was able to encourage the interest of the trainees in the topic	-	-	-	-	94	45	117	55	-	-
My trainer was able to explain the subject in detail	-	-	-	-	-	-	211	100	-	-
My trainer was able to help trainees with problems	-	-	6	3	20	9	185	88	-	-
My trainer was able to monitor trainees’ progress	-	-	-	-	-	-	211	100	-	-
My trainer was able to give practical examples to support the topic	-	-	-	-	-	-	211	100	-	-

It can be concluded from the above that the majority of the respondents agreed that the objectives of the training programmes were built to increase customer satisfaction and to decrease the number of customer complaints. Also, the content of training and development programmes relevant to all the employees and their jobs. On the whole, all the respondents stated that the training and development programmes provided useful ideas that they can apply in their jobs. In relation to trainers, the majority of the respondents agreed that their trainers were able to teach the subject matter thoroughly, to encourage the interest of the trainees in the topic, to explain the subject in detail, to

help the trainees with their problems, to monitor the trainees' progress, and to give practical examples to support the topic.

6.4.3 Analysis of Data Related to the Banks' Training Environment and Support Mechanisms

This section relates to part three of the questionnaire (question 12) and consisted of seven statements. It analyses and presents the data about the banks' training environment and support mechanisms.

Table 6.8 Banks' Training Environment and Support Mechanisms

Bank Training Environment and Support Mechanisms	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
The place where I took the training was convenient	-	-	-	-	-	-	211	100	-	-
The bank I work for makes efforts to determine my training needs	-	-	-	-	71	34	140	66	-	-
The bank prepares an effective environment for training	-	-	46	22	46	22	119	56	-	-
Employees in this bank receive continued training to provide good service	46	22	46	22	46	22	73	34	-	-
Employees in this bank receive extensive customer service training before they come into contact with customers	46	22	46	22	46	22	73	34	-	-
Employees of this bank receive training on dealing with customer problems	-	-	46	22	-	-	165	78	-	-
Employees of this bank are trained to deal with customer complaints	-	-	46	22	-	-	165	78	-	-

It can be seen from Table 6.8 that all the respondents agreed that the areas where they took the training were convenient. Sixty-six percent of the respondents agreed that the bank makes efforts to determine their training needs and only 34% of them were not sure. Fifty-six percent of the respondents among the employees agreed that the banks had prepared an effective environment for the training, 22% of them were not sure and 22% disagreed. When asked if they had received continued training to provide good service and received extensive customer service training before they came into contact with the customers, 34% of the respondents agreed, 22% were not sure, 22% disagreed, and 22% strongly disagreed. In relation to whether employees had received training and development to deal with customers' problems and complaints, 78% of the respondents agreed and only 22% disagreed.

It can be concluded from the above that the majority of the respondents agreed that the bank makes successful efforts to determine their training needs, the banks had prepared an effective environment for the training and they had received training and development to deal with customers' problems and complaints.

6.4.4 Analysis of Data Related to Perceived Benefits of Training and Development Programmes

This section relates to part five of the questionnaire (question 14) and consisted of seven statements. It analyses and presents the data about the benefits of training and development programmes to the banks' and their employees. Table 6.9 highlights that 56% of the respondents were not sure if the training and development programmes increased their job motivation or not, while 44% disagreed. Regarding increased enthusiasm for the job and improved customer service, 36% of the respondents

agreed, 31% were not sure and 33% disagreed. All the respondents were not sure if training and development programmes improved communication between departments or not. Sixty-seven percent of the respondents agreed that the training and development programmes improved communication between employees but the rest of the respondents (33%) were not sure. Forty-five percent of the respondents were not sure if training and development programmes improved teamwork between departments or not, 33% agreed and 22% disagreed. In addition, 67% of the participants agreed that the training and development programmes improved teamwork between employees while the rest (33%) were not sure.

Table 6.9 Benefits of Training and Development Programmes

The benefits of training programmes	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
Increased job motivation	-	-	92	44	119	56	-	-	-	-
Increased enthusiasm for the job	-	-	76	36	65	31	70	33	-	-
Improved customer service	-	-	76	36	65	31	70	33	-	-
Improved communication between departments	-	-	-	-	211	100	-	-	-	-
Improved communication between employees	-	-	-	-	70	33	141	67	-	-
Improved teamwork between departments	-	-	46	22	95	45	70	33	-	-
Improved teamwork between employees	-	-	-	-	70	33	141	67	-	-

Therefore, it can be concluded that more than half of the respondents were not sure if the training and development programmes increased their job motivation or not, while the rest disagreed. Regarding increased enthusiasm for the job and improved customer service, 36% of the respondents disagreed and 33% agreed. Also all of them were not

sure if training and development programmes improved communication between departments or not, and the majority of them agreed that these programmes improved communication between employees. Forty-five percent of the respondents were not sure if training and development programmes improved teamwork between departments or not and 33% agreed. In addition, 67% of the participants agreed that the training and development programmes improved teamwork between employees.

6.4.5 Analysis of Data Related to Training and Development Problems and Obstacles

This section relates to part six of the questionnaire (question 15). It analyses and presents the data on the main problems and obstacles that might hinder the effectiveness of training and development programmes in Libyan banks. It can be seen from Table 6.10 below that all the respondents agreed that the lack of long-term plans for developing human resources is the most significant factor that hinders training and development activities in Libyan banks. Other important training and development obstacles agreed by the respondents were: the difficulty in determining training needs (88%); work environment does not support the new behaviour learned (88%); sending inappropriate persons to the training programmes (84%); and insufficient time to implement training programmes (81%).

It could be conclude from the above that all the respondents agreed that the lack of long-term plans for developing human resources was the most important factor that hindered training and development activities. Also, the majority of the respondents agreed that the difficulty in determining training needs, work environment does not support the new behaviour learned, sending inappropriate persons to the training

programmes, and insufficient time to implement training programmes as an important training and development obstacles.

Table 6.10 Possible Factors that Might Hinder Training and Development Programmes

Possible factors that might hinder training and development	Strongly disagree		Disagree		Not sure		Agree		Strongly agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
Some managers do not believe in the importance of training and development	-	-	211	100	-	-	-	-	-	-
Absence of performance efficiency system	-	-	211	100	-	-	-	-	-	-
Lack of long-term plans for developing human resources	-	-	-	-	-	-	211	100	-	-
Difficulty in determining training needs	-	-	6	3	19	9	186	88	-	-
Discrepancy between the training and development provided and the required job-related skills	-	-	211	100	-	-	-	-	-	-
Work environment does not support the new behaviour learned in training and development programmes	-	-	6	3	19	9	186	88	-	-
The bank does not link training programmes to employees’ needs	-	-	211	100	-	-	-	-	-	-
The bank does not link training programmes to its business plans	-	-	211	100	-	-	-	-	-	-
Sending inappropriate persons to the training programmes	-	-	12	6	9	4	178	84	12	6
Insufficient time to implement training programmes	-	-	12	6	9	4	171	81	19	9

6.4.6 Comments of the Respondents among Employees

There was one open-ended question in the questionnaire (question 16) that was aimed at collecting qualitative data on employees’ perception of the overall training and

development process. This opportunity enabled the participants to express their personal views about training and development programmes in general and the once in which they participated in particular.

The major human resources development issues confronting the Libyan banks currently and in the foreseeable future, as identified by the respondents, are listed as follows:

- Some respondents complained about the inappropriateness of time and duration of the training and development programmes. They said, for example:

“Most training and development programmes are conducted after finishing work in the afternoon which means that these programmes are conducted at a time when employees are tired and exhausted, after a hard workday”.

“The training and development programmes are seem sometimes as a punishment because they are conducted in the afternoon and without getting any promotion or reward”.

- One respondent complained about the level of their workload and said:

“The number of employees is not enough to do all the work in the bank. The number of employees just met the sectional needs which make employees hesitate to attend training and development programmes even when they need them. The employees have plenty of work to do and do much more than they are supposed to”.

- Another respondent complained about the excessive daily workload which prevent him from benefiting from training and development programmes and applying what he learn from training and development programmes and stated:

“The major causes of the inability to apply our learning to the work places are the excessive daily workload and inadequate supply of required resources”.

- Regarding irrelevance of the course contents to the employees job requirement one respondent said that:

“I don’t use my knowledge and skills in my job because of the irrelevance of the course contents to my job requirement, the unavailability in my bank of the technologies needed for the application”.

- Some employees did not like to attend training and development programmes. In this context one employee said:

“I don’t like to attend these programmes because they aren’t linked to our employment needs. Training and development programmes should be designed in response to what employees need on the job”.

- Also one of employees thought some training and development programmes had been a waste of money and time said:

“Training and development in my bank is a prestige or a cosmetic tool rather than a necessity. How much do we spend on training and development? In which hotels are training and development programmes are to be conducted?”.

- The respondents complained about the methods used by the trainers. For example one of them said:

“Some of the training and development methods used by external providers are theoretical in nature and they do not encourage or help in transferring knowledge into the workplace”.

Another respondent also replied that:

“The purpose of training is not only teaching knowledge and skills to new employees, but also strengthening existing employees’ mindsets and challenging poor performance. Not only technical routine training courses, but the development of spirit and mind is considered important”.

- Line managers or departmental managers, in particular, played a key role in developing the department and they should be a good example for their employees. In this context one respondent said:

“It is persuasive and convincing if managers can set a good example in managing subordinates”.

Another respondent also stated:

“We are willing to follow the organisational rules if our managers are also doing the same thing”.

- One respondent complained about the methods used by the managers and the supervisors in the bank to determine the training needs and said:

“Poor training needs analysis techniques and trainees’ nominations, based on that the training and development programmes don’t reflect the bank’s real training needs since, mostly, external providers conducted them outside the bank”.

- Another employee highlighted the importance of career planning and development which was beneficial to both employees and the banks. Employees could identify their needs for further qualifications, plan for future job opportunities, and develop career goals. For the banks, career planning and development ensures that qualified employees are available when needed. In order to follow through on career planning and development and said:

“It is important to select and retain the right people and offer good training and development programmes to them”.

6.4.7 Summary of Employees' Response

In overall, it can be concluded from the above that the majority of employees agreeing that the objectives of the training programmes were built to increase customer satisfaction, to decrease number of customer complaints. Also, the content of the training and development programmes was generally found to be relevant to all the employees and their jobs. On the whole, all the respondents stated that the training and development programmes provided useful ideas that they can apply in their jobs. In relating to the trainers who teach the trainees the majority of the respondents agreed that the trainers were able to teach the subject matter thoroughly, to encourage the interest of the trainees in the topic, to explain the subject in detail, to help the trainees with their problems, to monitor the trainees' progress, and to give practical examples to support the topic.

Regarding the training environment the majority of the respondents agreed that the bank makes successful efforts to determine their training needs, the banks had prepared an effective environment for the training and they had received training and development to deal with customers' problems and complaints. Concerning the main problems and obstacles all the respondents agreed that the lack of long-term plans for developing human resources was the most important factor that hindered training and development activities.

Part Three: Summary of the Main Findings of the Study

This part presents the main findings obtained through the semi-structured interviews and the use of questionnaires answered by the banks' employees, in addition to other sources of data relevant to the research. This part divided into two sections, summary and conclusion.

6.5 Summary

The presentation of the data began with the first part of the analysis which divided into two sections, top managers' responses and training and development managers' responses. Top managers' responses start with the managers' views on the importance of training and development programmes and these programmes cost or investment, all the interviewees recognised the vital role of training and development for the survival of any organisation. Also the interviewees fully conceded and emphasised that the training and development activities had been an investment rather than a cost and were not leisure activities or time. Regarding the success of training and development programmes in Libyan banks most of interviewees stated that their training and development programmes were not effective, in general, and mostly did not achieve their objectives.

With respect to the impact of training and development on the expected performance outcomes most of the top managers interviewed believed that training and development had low or no impact on profitability, productivity, cost reduction and reputation of the bank. Also, the majority of interviewees believed that training and development impacted highly on the quality of service.

Regarding the significance of training and development programmes all the interviewees emphasised the importance of assigning a particular training and development department. Most of the top managers were not sure whether or not the level of training and development activities had been sufficient. All of the managers interviewed agreed that the importance of the link between training and development activities and the banks' objectives and strategy. All the managers agreed that the system and the management of their banks supported employees to transfer what they had learned to their workplace. Most of the interviewees said that the culture in their banks had been supportive of training and development programmes. Also, all the interviewed managers thought that the contribution and involvement of line managers in training and development activities and programmes is important. Also, all of them disagreed that the training and development plans and policies translated into measurable and workable programmes.

The top managers' views on the main problems they face when implementing the training and development programmes in their banks can be summarised as follows:

- The lack of on-the-job training programmes.
- The poor quality of external training and development centres.
- The lack of well-qualified internal and external trainers.

With respect to the factors that are likely to increase the need for more training and development within Libyan banks in the future. All of the interviewees agreed that privatisation, rapid change in technology, internal competition, external competition and customer changing needs would increase the need for more training and development at present and in the future. Regarding the application of knowledge and skills what the employees acquire from training and development programmes some

top managers' emphasised the application process depends on the subject of these programmes if it were about practical issue the application process would be easy, while if it were about behavioural aspects the application process may take time to show its results and may be difficult. Also, some of the managers said that most training and development programmes had been conducted outside the banks, this might have made the application process sometimes difficult for the employees in their workplaces. Also, some managers said that the linking of training and development with a rewarding system and financial incentives could affect the application process. Finally, the top managers views' about the type of support was needed to improve training and development activities in their banks. Their answers are summarised as follows:

- Most of top the managers stressed the need for well-qualified trainers.
- Four top managers underlined the importance of linking training and development activities with promotion, reward and punishment systems.
- Three top managers stressed the need for more attention and effort to be given to knowing how to determine training needs.

Regarding the training and development managers' responses start with the interviewees' views on the how training and development is conducted in the Libyan banks. With respect to the training needs assessment, the majority of the respondents stated that the majority of training needs were identified according to job requirements. Regarding the indicators for training needs assessment and the conditions under which training is provided to the employees the majority of the respondents stated that the lack of knowledge, the lack of skills, and the introduction of new work methods were considered as the most important indicators taken into account when assessing training needs. Also, all the respondents concurred that

training and development had been always provided when employees needed training on new technologies and new working methods. The second most important condition for providing training was when performance appraisal assessment is made.

With respect to the training methods that were used and if they acquired or gained any sort of assistance from external providers, all the respondents agreed that the lecture was the most frequently used training method. Also, all of the respondents replied that their banks acquired assistance from external providers during the preparation, the implementation of training and development programmes, and the evaluation process. And the most common assistance required were the design of the programmes from the beginning and conducting training and development. Concerning training evaluation methods, the majority of the respondents agreed that asking the trainees' managers or the supervisors about the trainees' performance progress as a result of attending training and development programmes was the most frequently used evaluation method. Also, four of the respondents agreed that performance appraisal reports were also mostly used as an evaluation method for training and development programmes.

Concerning the main problems and obstacles that the managers might face when implementing training and development programmes in Libyan banks, all the respondents agreed that poor planning and the difficulty in determining training needs had been the most important factors that hindered training and development activities. Regarding future challenges that are likely to increase the need for training and development programmes all the respondents strongly agreed that privatisation, internal and external competition and rapid change in technology would increasingly

force them to take the necessary steps to put training and development activities at the forefront of their strategic concerns.

Regarding the questioners' responses start with the use of employees' knowledge and skills in their workplace, all the respondents emphasised that the application process depends on that subject of these programmes that is mean the technical trainees were completely ready to apply their new skills and knowledge in their workplace, whereas management trainees encountered some difficulties to apply their new skills or used them only to a limited extent. Concerning the type of support needed to improve training and development activities the interviewees stressed the need to have continues training and development programmes.

With respect to the objectives of training and development programmes all the responses to the statements were positive with the majority of the respondents agreeing with that the objectives of the training programmes were built to increase customer satisfaction, to decrease number of customer complaints. Regarding the content of the training and development programmes the data analysis shows that the content of the training was generally found to be relevant to all the employees and their jobs. On the whole, all the respondents stated that the training and development programmes provided useful ideas that they can apply in their jobs.

In relating to the trainers who teach the trainees the data analysis shows that the majority of the respondents agreed that the trainers were able to teach the subject matter thoroughly, to encourage the interest of the trainees in the topic, to explain the subject in detail, to help the trainees with their problems, to monitor the trainees' progress, and to give practical examples to support the topic. Regarding the training

environment the data analysis shows that the majority of the respondents agreed that the bank makes successful efforts to determine their training needs, the banks had prepared an effective environment for the training and they had received training and development to deal with customers' problems and complaints.

With respect to the benefits of training and development programmes, the data analysis shows that more than half of the respondents were not sure if the training and development programmes increased their job motivation or not, while 44% disagreed. Regarding increased enthusiasm for the job and improved customer service, 36% of the respondents disagreed and 33% agreed. All the respondents were not sure if training and development programmes improved communication between departments or not. Sixty-seven percent of the respondents agreed that the training and development programmes improved communication between employees. Forty-five percent of the respondents were not sure if training and development programmes improved teamwork between departments or not and 33% agreed. In addition, 67% of the participants agreed that the training and development programmes improved teamwork between employees. Regarding the main problems and obstacles that might hinder the effectiveness of training and development programmes in Libyan banks the data analysis shows that all the respondents agreed that the lack of long-term plans for developing human resources was the most important factor that hindered training and development activities.

6.6 Conclusion

This chapter analyzed semi-structured interview and questionnaire on the four research questions of the study and presents the key findings as follows:

- In terms of training needs assessment there were no clear guidelines or policies and procedures for determining the training needs in Libyan banking sector and the difficulty in determining training needs had been the most important factors that hindered training and development activities.
- The lecture was the most frequently used training method.
- Asking the trainees' managers about the trainees' performance progress as a result of attending training and development programmes was the most frequently used evaluation method.
- All the Libyan banks acquired assistance from external providers during the preparation, the implementation of training and development programmes, and the evaluation process.
- The main problems they face when implementing the training and development programmes in their banks are the lack of on-the-job training programmes, the poor quality of external training and development centres, and the lack of well-qualified internal and external trainers.
- Poor planning of training and development activities and lack of long-term plans for developing human resources was the most important factor that hindered training and development activities.
- Training and development plans and policies did not translate into measurable and workable programmes.

- Training and development programmes in Libyan banking sector were not effective, in general, and mostly did not achieve their objectives.
- Privatisation, internal and external competition and rapid change in technology would increasingly force them to take the necessary steps to put training and development activities at the forefront of their strategic concerns.

In this chapter, the researcher presented the findings from the analysis of data collected through the use of semi-structured interviews and questionnaires. The chosen respondents in this research provide description about the training and development in Libyan banking sector. Accordingly, a full discussion of these findings is given in the next chapter.

Chapter 7: Discussion

7.1 Introduction

The main purpose of this chapter is to discuss the findings and results that have emerged from the data analysis presented in chapter six, to provide an answer to the research questions and to meet the objectives of this study. It attempts to interpret the findings resulting from the study and to link the empirical findings of the study with the literature reviewed earlier. This chapter comprises five main sections and starts with training and development practices in Libyan banks in terms of how training needs assessment processed is conducted, the implementation issues, training and development delivery methods often used and how the evaluation process is conducted. The second section deals with training and development effectiveness in improving organisations' performance. The third section discusses the main training and development problems and challenges in Libyan banks. The fourth section discusses transferring the gained training and development knowledge and skills to the workplace. The fifth section discusses what needs to be done in order to tackle most of the current training and development problems and challenges.

7.2 Training and Development Practices in Libyan Banks

One of the main aims of this study and the first question was to explore the current training and development practices provided by the Libyan banking sector in terms of how training needs assessment processed is conducted, the implementation issues, training and development delivery methods often used and how the evaluation process is conducted. All these processes will be discussed in the following sections.

7.2.1 Training Needs Assessment Process

The review of training and development literature in chapter two showed that a systematic approach to training and development should begin with training needs assessment stage. Training needs assessment is considered the critical stage by which training and development needs are identified. This study has found that one of the significant problems hinders training and development activities in Libyan banks is the difficulty in determining training needs. In order to understand the whole picture of the training needs assessment process in Libyan banking sector, many issues had been raised in this study such as the regularity of conducting the training needs assessment process; training needs assessment methods, indicators to assess training needs and when employees received training and development. All the above points will be discussed in the following sections.

7.2.1.1 Regularity of Conducting Training Needs Assessment Process

The training managers were asked whether they conducted formal training needs assessment in their banks and, if so, how often do their banks conduct training needs assessment. Their answers revealed that over half of them declared that their banks conduct training needs assessment sometimes. This finding is consistent with two of other researchers. For example, Al-Madhoun (2006) conducted a study to discuss the obstacles facing training in Palestinian organisations and found that in terms of training needs assessment there were no clear guidelines or policies and procedures for determining the training needs in all of the surveyed organisations. Moreover, Al-Rasheed (1996) conducted a study to examine which Jordanian managers understood the higher goals of their jobs and he found that there was a lack of training needs

assessment in many Jordanian organisations. Also, Abdalla and Al-Homoud (1995) found that there are no specific or systematic practices or procedures for determining training and educational needs due to the lack of reliable information, turbulent political, economic and rapid changing social environments.

Nevertheless, this finding contrast with other researchers' findings. For example, Al-Athari (2000) conducted a study that aimed to explore the training and development activity in government and private Kuwaiti organisations and he found that the majority of the organisations in both sectors (73%) conducted training needs assessment on a regular basis. Moreover, Al-Ali (1999) conducted a study that was aimed to disclose the policies and practices of training and development within Kuwaiti government and private organisations and he found that 52% of the Kuwaiti public organisations conducted training needs assessment on a regular basis, while 32% of the private/joint venture organisations occasionally conducted training needs assessment.

7.2.1.2 Training Needs Assessment Indicators

The most common training needs assessment indicators for Libyan banks in general were the lack of knowledge, the lack of skills and the introduction of new work method. This finding is consistent with other that of Al-Athari (2000), who found that the lack of knowledge (91%) and introduction of new work methods (90%) were the most stressed training needs assessment indicators in Kuwaiti organisations. However, this finding is in contrast to that of Agnaia (1996) who argued that assessing training needs by performance records by bosses may not reflect the actual

situation because this assessing is subject to family, nepotism, kinship and personal relationships between the supervisors and employees.

7.2.1.3 Conditions for Providing Training and Development

In view of the importance of training and development for the success of the organisation and the often considerable resources in its planning and implementation, one question that required exploring was the conditions under which training and development was provided to Libyan banks' employees. Therefore, the training managers were asked when training and development provided, all the respondents concurred that training and development had been always provided when employees needed training on new technologies and new working method. The second important condition for providing training was when performance appraisal assessment is made. These findings seem to be consistent with Albahussain (2000), who found that the first condition was when departments request training, followed by the conditions when employees are newly recruited and when new work methods are introduced. While in the UK, Sutherland (2009) conducted a study to examine the amount of training received by employees and the extent to which individuals are dissatisfied with the training they receive and found that the employees selected to training and development activities mostly without any communication with them. Therefore, it could be generally argued that training needs assessment is not regularly conducted in Libyan banks. The literature showed that when assessing training needs, individual, job and organisational needs should all be considered. These assessments are basically about where training is required (organisational analysis), who needs training and what kind of training (individual analysis), which job or task needs training (job analysis). Job analysis is about collecting, recording, tabulating and analysing duties

and tasks and identifying employees' competencies required in order to perform their jobs, identifying job performance standards, knowledge, skills and abilities essential to perform these tasks.

In Libyan banks training needs assessment is conducted based just on who will attend training and development programmes (individual analysis). That is because most training and development programmes are external programmes which are designed and managed by external providers away from the specific requirements of the organisation. Training needs are assessed based on employees' direct managers viewpoints or preferences for particular employees and/or employees' enthusiasm to attend training and development programmes rather than based on real organisational needs. For training and development to be effective, training needs assessment should be conducted at a variety of times, should be flexible to include any urgent needs. Training needs assessment decisions should be based on systematic ways for assessing the training needs of the employees and the organisation rather than on subjective individual viewpoints of the employees' direct managers about their employees' real needs.

In Libyan banks training and development is provided when employees need training on new work methods or when they are newly recruited or upgraded and when departments request training, but less when performance appraisal show a need for training. Thus, the introduction of new work methods and lack of employees' knowledge and skills were the main indicators for assessing training employees' needs, rather than poor performance indicators. Moreover, it was found that the training needs assessment process in Libyan banks was subject to personal relationships and interests, which often determine who is selected for training and

who is not. Employee nomination criteria were unsystematic, mostly based on direct or department managers' performance or non-performance for particular employees.

These findings seem to be consistent with those relating to Arab training needs assessment practices reviewed mainly in chapter three. For instance, Abdalla and Al-Homoud (1995) found that there are no specific or systematic practices or procedures for determining training and educational needs. Also, many Arab researchers have argued that the lack of job description, clear performance appraisal and the approach used for assessing the development needs of employees are impressionistic and generalised, rather than systematic (Bahar et al., 1996; Abdalla and Al-Homoud, 1995; Abdalla et al. 1998; Agnaia 1996). Arab organisations rely on different sources to obtain the information required to determine training needs, mainly on supervisors and trainees themselves, but less on task or job requirements, description and manpower planning. In this context, also, Agnaia (1996) found that few employees are selected on the basis of greatest need; bureaucratic policies and patronage play more important roles.

In overall, it can be concluded that regarding the regularity of training needs assessment process which conduct just sometimes in the Libyan banks, this process should not only be assessed at the first step, since the training and development process is affected by a variety of environmental factors that could affect the whole training and development outcomes and results. Thus, the training and development needs should be assessed in different stages and should be flexible enough to reassess training and development needs during all the phases in order to take any urgent training and development needs into account. This phase determines the whole

direction and purpose of training and development processes. Thus, it should be conducted well to build other phases effectively.

Training needs assessment enables training and development to be directed towards achieving organisational strategy and objectives. It aims to determine the gap between the actual level of performance and the desired one. Also, it involves the identification of training and development needs through making a series of assessment inside and outside the organisation and then establishes training and development objectives to meet these needs. Moreover, individual, task and organisational needs should be interrelated and interconnected. Also, training needs should fit the organisation's culture as well as the organisation's corporate strategy.

7.2.2 Training and Development Methods

The interviewees were asked which training methods had been used by the banks and/or by external training providers, all the respondents concurred that the lecture was the most frequently used training method. This finding is consistent with Al-Athari (2000), who found that classroom training was the most important training method in Kuwaiti organisations. Also, Atiyyah (1993) who found that lectures and discussions as the most popular used methods in the Arab organisations, while the other methods are rarely used. Also, this finding contradicts, to some extent, with Albahussain (2000), who found that, among all training and development methods, demonstration was the most used one in his survey of Saudi organisations, followed by case study, group discussion and lecture, while computer based training, games, seminar and individual project were lesser used methods. On this matter, Atiyyah

(1993) argues that most training methods used by Arab countries are conventional and do not involve the trainees in the learning process.

Mathews et al. (2001) studied the incidence of training delivery methods across non-industry specific organisations in the UK, Finland and Portugal and found that the most commonly used training methods tended to be traditional, with little evidence of more hi-tech methods. These traditional methods included: external short programmes; internal lectures and seminars; issuing of training manuals and materials to be self-taught; short demonstration; the delegation of training responsibilities to training consultants. Impersonal methods, such as training videos and internet or computer-based training were viewed across the UK, Finland and Portugal as poor methods. In contrast, highly personal methods, such as lectures and seminar, were viewed as the most effective and highly regarded methods (Mathews et al., 2001).

It can be concluded from the above that the lecture was the most frequently used training method. However, as mentioned in chapter two, to have positive results from training and development programmes, organisational commitment to training must tie in closely with appropriate effective training methods (Acton and Golden, 2003). The choice between these methods depends on different issues that need to be considered such as: training and development content; the objectives to be achieved; training and development needs; the number of trainees; trainees' background; trainees' level of understanding; trainees' education level; trainees' training needs; trainees' ages; trainees' preferred learning style; the available equipment; the time and the budget allocated to training and development programme (Acton and Golden, 2003; Giangreco et al. 2010 Nikandrou et al. 2009). All these issues should take into

account that training and development usually uses more than one method to achieve its goals.

7.2.3 Assistance Required from External Providers

It is important to understand the extent to which Libyan banks depend on external training and development providers in conducting and managing their training and development programmes. In this context the participants were asked whether or not their banks acquired assistance from external providers and what type of assistance, all the respondents replied that their banks acquired assistance from external providers during the preparation, the implementation of training and development programmes, and the evaluation process. And the most common assistance required were the design of the training and development programmes from the beginning and conducting training and development programmes, followed by making change to external training and development programmes to suit the bank's needs and providing the bank with specialist experiences. This finding is consistent with Al-Ali (1999), who found that 73% of the Kuwaiti organisations surveyed had asked external providers to supply them with specialists and 70% asked external providers to implement training and development programmes.

This study has found that one of the most important reasons for top managers' dissatisfaction with their training and development was the lack of on-the-job training and relying mainly on the external training and development programmes. It was found that this approach was sometimes inappropriate for the banks' real needs. The fact is that Libyan banks tend to depend on the external providers. The main reasons for requiring assistances from external providers were: lack of professional internal

training staff, lack of well-equipped training rooms inside most of the banks, being in touch with new trends in the banking market, the number of trainees to be trained, if the number is small it is not reasonable to design inside training and development programmes for those small numbers, external training and development programmes are considered as opportunities to take the employees out from the work routine.

Regarding the qualities of the external training and development centres and trainers, this study has found that most of top managers believed that there are many external training and development centres in Libya. However, they stated that most of them provide bad quality training and development programmes. There was agreement regarding the quality of the Libyan trainers. Some of the top managers believed that they were not qualified enough to be trainers; they were good as lecturers, not trainers.

It can be concluded from the above that all Libyan banks acquired assistance from external providers during the preparation, the implementation, and the evaluation of training and development programmes. And the most common assistances required were the design and conducting training and development programmes, followed by making change to external training and development programmes to suit the bank's needs and providing the banks with specialist experiences. The main reasons made Libyan banks tend to depend on the external providers were: lack of internal training staff, being in touch with new trends in the banking market, some times the number of trainees to be trained is small it is not reasonable to design inside training and development programmes for those small numbers, and lack of well-equipped training rooms inside most of the banks.

7.2.4 Evaluation of Training

The evaluation stage is the most critical one in the training process cycle, it reflects the ways by which the effectiveness of training and development programmes will be judged or assessed. It indicates the overall effectiveness of training in achieving its objectives; this information could help in improving future training and development programmes. This study found that all the respondents considered training and development evaluation as an important stage. This finding is consistent with Athari's (2000) findings that 100% of the Kuwaiti government organisations and 95% of the private Kuwaiti organisations believed in the importance of training and development evaluation. Also, the respondents in this study asserted that their banks had only sometimes evaluated training and development programmes. This finding is consistent with Albahussain (2000) who found that the majority of Saudi organisations only sometimes conducted evaluation of training and development. On the other hand, this finding contradicts with Al-Athari (2000) who found that the majority of the Kuwaiti organisations usually conducted training and development stage. While, in the UK, Tennant *et al* (2002) have conducted a study of UK manufacturing companies to identify evaluation methods and found that despite there agreement about the importance of evaluating training and development programmes, nevertheless most of the respondents claimed that it was not considered a priority by management. In addition, they found that there was absence of evaluation skills to the person responsible for evaluation process.

Regarding the evaluation methods commonly used in Libyan banks the majority of the respondents replied that asking trainees' managers or supervisors about the trainees' performance progress as a result of attending training and development

programmes was the most frequently used evaluation method. In addition, some of the respondents stated that performance appraisal reports were also mostly used as an evaluation method for training and development programmes. Moreover, as shown in previous chapter, top managers declared that most external training and development programmes had been evaluated by the external providers, outside the banks. However, Wilkins (2001) argues that, in Arab countries, educational institutions are not generally in the position to assess workplace performance so they must find other ways to measure the effectiveness of their programmes. In Libyan banks they know that external providers evaluated training and development programmes through distributing a particular questionnaire for each trainee asking for their opinions of the programmes.

Comparing these findings with other related studies, this finding contradicts with Al-Ali (1999), who found that most commonly used evaluation method by Kuwaiti organisations was the questionnaire. Also, this finding contradicts with Albahussain's (2000) finding in some aspects and consistent with the others. Albahussain found that Saudi organisations elide first and foremost on the trainees' supervisor to provide a report on the learning outcomes. The second method was comparing the trainees' performance before and after the training and development programmes, while completing a questionnaire was the most rarely used method.

Therefore, it is unsurprising that many authors (Kirkpatrick, 1979; Taylor, 1996; Burrow and Berardinelli, 2003; Bees, 1994; Hale, 2003; Russ and Preskill, 2001; Redshaw, 2000; and Lee, 1996) consider evaluation as an integral part of any systematic training and development process. From training evaluation, an organisation can make a judgment of what employees gain from training and what is

transferred and implemented to their work. Therefore, it could be argued that, as long as an organisation pays attention and emphasises training evaluation to identify training contributions, training is viewed by this organisation as an important organisational function that improves or helps to improve organisational performance.

Regarding the evaluation stage it can be concluded that this study found that all the respondents considered training and development evaluation as an important stage. Also, the evaluation methods commonly used in Libyan banks asking trainees' managers or supervisors about the trainees' performance progress as a result of attending training and development programmes was the most frequently used evaluation method, performance appraisal reports were also used as an evaluation method, and most external training and development programmes had been evaluated by the external providers, outside the banks.

Therefore, as mentioned in chapter two evaluation stage should be viewed as part of an effective training process and a base to improve organisational decision-making about human performance improvement. It identifies where a training and development department could prove that it adds valuable service or adds value to the organisation's performance. From training evaluation, an organisation can make a judgment of what employees gain from training and what is transferred and implemented to their work. Thus, it could be concluded that, as long as an organisation pays attention and emphasises training evaluation to identify training contributions, training is viewed by this organisation as an important organisational function that improves or helps to improve organisational performance. Also, there are many factors which can have an influence, positively or negatively, on the organisation's performance such as other organisational activities, market forces,

competitive activity, and new technology. In addition, the impact of training may take a considerable time to show up in overall results, and outcomes are usually complex and difficult to be measured or quantified such as employee satisfaction, commitment, motivation, changes of behaviour and attitudes.

Furthermore, to overcome most of the evaluation difficulties line managers should be involved and participate in evaluation process. Evaluation must be objective and targeted as an important outcome, including individual, job and organisational improvement. It should be matched with the organisation's philosophy, culture and objectives. In other words, what is relevant to one organisation may not be relevant to another. Also, should be reasonable, which means that evaluation should be able to be conducted within the structure and resources and the training programme by the people responsible for the programme.

In overall, regarding the training and development practices, it can be concluded that all the Libyan banks' managers considered the importance of human resource development and applied many training and development programmes to improve their workforce. In spite of that they still suffer from a lack of comprehensive training plans in the short and long term. There is no systematic training needs assessment process, no determination of the levels and types of the required training programmes, some training delivery methods used were conventional, and did not involve the trainees in the learning process. Moreover, inadequate training needs assessment causes many other problems relating to the programme design. Training methods mostly used are so limited; they include lectures as the most popular used methods, while group discussion, case study and the role play are rarely used. Also, evaluation stage is rarely found or applied by external providers.

Thus, it could be concluded that top and line managers should pay more attention to the systematic approach to effective training and development process, which involves assessing training and development needs by determining the organisational, individual and jobs' needs and requirement. Many important issues, such as training and development programme content and methods should be planned, as well. In the implementation stage, trainees should be convinced of the importance of the programme and the whole programme should be implemented relating to plan and objectives.

Moreover, evaluation is necessary to ensure that training contributes to the success of the business. Therefore, many things should be taken into account when evaluating training and development programme effectiveness. Measuring the employees' skills and knowledge before and after training programmes, as well as by external providers and in the workplace by employees' supervisors. It could be argued that it is important for Libya banks to invest more in people development if they want to compete in international market. The key driver of the organisation's success is people, who should have unique, rare and valuable skills. Training and development helps in creating skilled, motivated, well-trained and satisfied employees who are willing to work effectively and efficiently, reducing the waste of time, materials and mistakes and thereby reducing overall costs. In addition, these competitive people tend to stay with the banks since their commitment and satisfaction are high.

7.3 Training and Development Effectiveness in Improving Organisations' Performance

The managers were asked whether they thought training and development had high, low or no impact on the expected performance outcomes. Their answers, which appear in Table 6.1, indicated that most of them believed that training and development had low or no impact on profitability, productivity, cost reduction and reputation of the bank. Also, the majority of them believed that training and development impacted highly on the quality of service. These findings are in contrast with Al-Athari (2000) who found that the majority of government and private Kuwaiti organisations training and development had strong impacts on increasing productivity, producing high quality performance and implementing new ways of working. However they are consistent with Al-Athari (2000) in one result which is no impact on profitability.

In relation to the status of training and development within the banks' structure and whether the training and development function had a specific department or section this study has found that all Libyan banks had particular training and development department. This study has also found that all the interviewees emphasised the importance of particular training and development department. It means that more focus, attention, money, time and people will be allocated to training and development programmes, also helping Libyan banks to achieve their corporate objectives and improve their performance.

To explore more insights about the relationship between training and development and organisational performance, top managers were asked many questions about this

matter. It was found that top managers strongly believed in the importance of training and development activities for their banks' success. Indeed, all of them recognised the vital role of training and development for the survival of any organisation. However, top managers were asked whether or not they think their training and development was effective in achieving its objectives, most of them stated that their training and development programmes were not effective, in general, and mostly did not achieve their objectives. The reasons were poor training needs assessment and inappropriate trainees nomination. Also, when the employees were asked about the benefits of training and development programmes, most of them were not sure if the training and development programmes benefited them or not regarding to increasing their job motivation, enthusiasm for the job, improving customer service, improving communication between departments and improving teamwork between departments.

In overall, it can be concluded from the above that all the managers believed that training and development had low or no impact on profitability, productivity, cost reduction and reputation of the bank. Also, the majority of them believed that training and development impacted highly on the quality of service. Also, this study has found that all Libyan banks had particular training and development department and all the respondents emphasised the importance of particular training and development department which mean more focus, attention, money, time and people will be allocated to training and development programmes, also helping Libyan banks to achieve their corporate objectives and improve their performance.

Training and development needs to be considered as an important organisational function rather than a stand-alone process or just conducted occasionally. Training and development should be integrated with the overall business strategies and

functions. Therefore, many concepts and practices should be activated and developed in Libyan banks, such as manpower planning, performance appraisal and job analysis and description. Training and development should also be viewed as an integral part of management work. Thus, it should consider individual, organisation and task needs and requirements. It should not conflict with organisational policies and strategies, rather it should be part of them. Also, it should fit organisational and national cultural issues and factors.

7.4 The Main Training and Development Problems and Challenges

One of the main aims of this study was to unveil the problems and challenges that face training and development programmes in the Libyan banking sector, and the factors that are likely to solve such problems and reduce the obstacles of training and development in the future. Therefore, the interviews and the questionnaires raised many questions in related to this aim.

Top managers' responses show that the lack of on-the-job training programmes, poor quality of external training and development centres and the lack of well-qualified internal and external trainers were the main problems they had faced in implementing training and development programmes. Also, according to the training and development managers, poor training planning and the difficulty in determining training needs had been the most important factors that hindered training and development activities in the Libyan banks. Moreover, Table 6.10 shows that all the employee respondents agreed that the lack of long-term plans for developing human resources, the difficulty in determining training needs, work environment does not support the new behaviour learned, sending inappropriate persons to the training

programmes and insufficient time to implement training programmes were the most important factors that hindered training and development activities.

The qualitative data gathered from the interviews and from the questionnaires have added more new insights and facts about training and development problems and challenges, which were mentioned earlier in chapter six.

- Problems related to the current training and development approach, such as lack of on-the-job training, the inappropriate allocated time for training which, according to most of the respondents, cause many other problems related to employees and their enthusiasm to attend training and development programmes after work or at weekends.
- Problems related to the employees or trainees which include many other related problems, such as inappropriate training and development time for many employees, which makes them dislike to attend any training and development programmes and overload of work they do every day, which makes attending training and development programmes in the morning impossible.

Also, the lack of motivation among employees to attend training and development programmes, benefit from them and transfer what they learned to the workplace. Therefore it can be argued that this motivation can affect training and development programme effectiveness in many ways such as: transferring or application process of the gained training and development skills and knowledge into work places. Also the lack of motivation can lead to inaccurate and poor training needs analysis processes and techniques, poor training and development planning in terms of content and delivery methods; sending inappropriate persons to attend training and development

programmes; lack of on-the-job training, which is described as the most useful training approach; lack of good quality training and development centres or providers; lack of long-term plans for developing human resources. These findings are consistent with those of other Arab researchers. For example, in this regard Albahussain (2000) found in his study that training and development in Saudi organisations faced many problems such as: the high cost involved in training and development programmes; the lack of private specialists training and development centres; the lack of long-term plans for human resources development; the lack of professionals within training and developments or units; the difficulties in evaluating training and development outcomes; absence of clear training and development policies; poor co-operation and coordination between the various organisational departments and training and development departments. Also, Atiyyah (1993) argued that the effectiveness of most training and development programmes in Arab countries is generally low because of inadequate needs analysis, irrelevant curricula and the lack of reinforcement. Moreover, Al-Ali (1999) argued that training and development obstacles in Kuwaiti organisations were related to insufficient investment in training and development, lack of a systematic evaluation process and lack of strategic linkage between organisations' strategies and the training and development function.

Also, these findings are consistent with some studies applied in industrialised countries. In this regard, Jameson (2000) found in his study that there was only 11% of small tourism and hospitality firms in the UK that had a formal written training plan, and 12% of them had training budgets. In conclusion, he found that the training in small hospitality firms was largely carried out on an informal basis. Moreover, Ironside and Seifert (1999) conducted a study that focused on training-related issues in French, Finnish and UK health services, they found that most organisations in these

countries face various problems and obstacles, for example, very little pre-work training is provided, unqualified staff have insufficient financial incentive to gain qualifications, more staff have very limited training opportunities, including the increasing proportion of staff on part-time and/or short-term contracts, lack of funding to maintain salary during training, especially when training is not directly related to the current post, employers do not have a specific training budget and concern that employees may leave after training. Furthermore, Tennant *et al* (2002) found that the UK manufacturing companies had not really grasped the true value of training and tends to focus only on the associated costs. Also, they found that most manufacturing companies in the UK face various problems and obstacles such as: poor quality training programmes; the context of the training is not relevant to normal working processes; organisations fail to link training programmes with their business plan; employees are not motivated enough to attend training programmes; the period of training is not suitable, being either too short or too long; and sending inappropriate persons to the training programme.

In overall, it can be concluded from the above that poor training planning; the difficulty in determining training needs; the lack of on-the-job training programmes, poor quality of external training and development centres and the lack of well-qualified internal and external trainers had been the most important factors that hindered training and development activities in the Libyan. Also, the lack of long-term plans for developing human resources, sending inappropriate persons to the training programmes and insufficient time to implement training programmes were the most important factors that hindered training and development activities.

7.5 Transferring the gained Training and Development Knowledge and Skills

The most important objective for training and development is to provide employees with new skills, knowledge and information. Using or applying the newly learned or gained skills and knowledge in the workplace is an important indication about training effectiveness. In this regard, the interviewees were asked whether their employees used the skills, knowledge and information they gained in training in their workplaces. It was found that the application process depends on the subject of training programmes. According to some top managers and training managers, if it were about practical issues the application process would be easy but if it were about behavioural aspects the application process might take time to show its results and might be difficult. Also, because training and development programmes had been conducted outside the banks, this might have made the application process sometimes difficult for the employees in their workplaces. Moreover, some managers said that the linking of training and development with a rewarding system and financial incentives could affect the application process. In this regard, Hawley and Barnard (2005) argued that the transfer of knowledge and skills learned from instructional programmes to the work place continues to be an area of concern for human resource development researchers and practitioners and one of the most critical issues facing the industrialised countries in this field of human resources development. Also, Donovan *et al* (2001) and Patrick (1992) argued that despite the substantial investment of valuable resources, the information and skills that are learned in training may never actually be applied in the work place.

Also, the employees were asked about the usefulness and relevance of the training programmes. It was found that all the employees stated that the training programmes provided useful knowledge that they can apply in their jobs. Moreover, most of them stated that training and development programmes helped them to improve their work performance, helped them to make better use of their time, to identify customers' needs and to learn new and better ways of doing their tasks. Therefore, from the employees' responses it could be concluded that the employees were using or applying the newly learned or gained skills and knowledge in the workplace.

As mentioned earlier it was found that most training and development programmes were conducted outside the banks which made the application process difficult. That also referred to the discrepancy between the training provided and the work skills required. In other words, most of the training provided did not suit the real needs of a particular bank because most of these external programmes were designed and planned in a general way to suit many banks. In addition, training and development delivery methods play an important role in facilitating the application process. Unfortunately, most training and development methods used by the banks or the external providers were off-the-job classroom methods, such as lectures.

Also, this study has found that most of the banks provided training and development programmes in the afternoon, rather than in the morning. It means that employees are sent to attend training and development programmes after they finish their work. Thus they were exhausted and tired. It can be argued therefore that training and development time in most Libyan banks is not appropriate for a successful learning process, since employees' abilities and willingness to learn in the afternoon is less than if they attended in the morning when they are fresh in mind and can think just

about the content of the programmes. It is not fair that training and development programmes should be after finishing the workday, on account of the employees' spare time or weekend because this will affect the employees' motivation to work in the organisation, commitment to attending training and development, and could affect the employees' loyalty and productivity. Moreover, regarding the work overload it was found that many employees complained about the excessive daily workload which prevent them from benefiting from training and development programmes and applying what they learn from training and development programmes

Another important reason for not attending training and development programmes is the lack of encouragement, which could be achieved through linking attending training and development programmes and perhaps transferring the newly learned knowledge and skills into workplace with an incentive reward or promotion system. In this context, Wilkins (2001) stressed that organisational culture and management style must encourage and support the individual if he or she is to effectively apply the knowledge gained and skills developed through management development.

In general, it can be concluded from the above that the application process depends on the subject of training programmes, if it were about practical issues the application process would be easy but if it were about behavioural aspects the application process might take time to show its results and might be difficult. Also, there are some reasons that might have made the application process sometimes difficult for the employees in their workplaces, such as training and development programmes had been conducted outside the banks, there is no connection between training and development and reward system and financial incentives. In other side, the employees stated that training and development programmes helped them to improve their work

performance; to make better use of their time; to identify customers' needs and to learn new and better ways of doing their tasks.

7.6 What needs to be done to Deal with Training and Development Problems and Challenges?

The participants were asked what, in their opinions, needs to be done in order to overcome the main training and development challenges and obstacles and hence to improve the effectiveness of training and development programmes. Their answers indicated the need for the following practical suggestions to be made or undertaken, in order to improve training and development activities in Libyan banks.

7.6.1 Training and Development needs to be taken seriously

Training and development needs to be considered as an important investment rather than a cost which needs to be minimised, or a leisure activity. Training and development should be a systematic continuous function rather than a stand-alone process held occasionally as a period of fun or leisure. In this regard, Hughey and Mussnug (1997) argued that the main aim of training and development is to increase an organisation's efficiency and effectiveness. Training and development has a strong impact on the organisation's profitability; thus, management consistently views employee training as simply an additional avenue for enhancing the total financial return on investment. Training and development staff, according to most of the top managers interviewed, should be responsible for creating this new view about the importance of training and development, responsible for changing the ways by which an organisation's people consider training and development. Moreover, all managerial

levels, particularly top management who are considered key organisation stakeholders, should be convinced of the importance of training and development as a strategic tool for increasing an organisation's competencies, performance and change and for achieving an organisation's corporate strategies and objectives.

7.6.2 The need for Well-qualified Training and Development Specialists in the Training and Development Field

Training and development internal staff need to be well-educated, developed and specialists in the field of training and development, as suggested by all the respondents. In this regard, Atiyyah (1993) also suggested that more and better-qualified training specialists should be supplied to ensure high-quality services through cooperation with educational institutions, specialists training and development institutions and professional associations and beneficiaries.

7.6.3 The need for Systematic Training Needs Assessment Process

Training and development should be provided to fill a gap in the employees' and organisational performance, thus, it should aim to solve real practical work problems, rather than for appearance or prestige sake. Therefore, more attention should be given to training needs assessment, which determines the gap between what is happening and what is supposed to happen, in order to maximize organisational performance. Thus, training needs assessment should be conducted based on a systematic needs analysis, including organisation, job and employees' training needs.

7.6.4 Need for Line Managers' Involvement

In most organisations line managers are less committed to training and development activities because training and development means that their employees will leave their work and duties to go to the training programmes. Therefore, it is very important to convince those managers of the importance of training in improving the work when the employees will return to their work after training; also, to gain more commitment and support, line managers should participate in formulating training and development objectives and evaluation. This is stressed by Lee (1996) and Harrison (1997) who emphasise the need for shared ownership of human resource development, where line managers and human resource development staff work in partnership over human resource development issues. Moreover, Redshaw (2000) suggests that, to overcome most training and development problems, line managers should be involved in evaluating training effectiveness.

What needs to be done in order to tackle most of the current training and development problems and challenges is one of the important objectives of this study. Therefore, it can be concluded from the above that training and development should be a systematic continuous function rather than a stand-alone process. Also, all managers should be convinced of the importance of training and development as a strategic tool for increasing an organisation's competencies, performance and change and for achieving an organisation's corporate strategies and objectives. Moreover, training needs assessment should be conducted based on a systematic needs analysis, including organisation, job and employees' training needs.

7.7 Summary and Conclusion

In conclusion, it can be said that all the Libyan banks suffer from a lack of comprehensive training plans in the short and long term. There is no systematic training needs assessment process, no determination of the levels and types of the required training programmes, some training delivery methods used were conventional, and did not involve the trainees in the learning process. Moreover, training methods mostly used are so limited; they include lectures as the most popular used methods, while group discussion, case study and the role play are rarely used. Also, evaluation stage is rarely found or applied by external providers. Thus, top and line managers should pay more attention to the systematic approach to effective training and development process, which involves assessing training and development needs by determining the organisational, individual and jobs' needs and requirement. Many important issues, such as training and development programme content and methods should be planned, as well. In the implementation stage, trainees should be convinced of the importance of the programme and the whole programme should be implemented relating to plan and objectives.

Moreover, many steps should be taken into account when evaluating training and development programme effectiveness. Measuring the employees' skills and knowledge before and after training programmes, as well as by external providers and in the workplace by employees' supervisors. Also, training and development should be integrated with the overall business strategies and functions. Therefore, many concepts and practices should be activated and developed in Libyan banks, such as manpower planning, performance appraisal and job analysis and description.

Furthermore, training and development should be a systematic continuous function rather than a stand-alone process. Also, all managers should be convinced of the importance of training and development as a strategic tool for increasing an organisation's competencies, performance and change and for achieving an organisation's corporate strategies and objectives. Moreover, training needs assessment should be conducted based on a systematic needs analysis, including organisation, job and employees' training needs.

It could be conclude this chapter by saying that this study has explored the process of training and development in Libyan banks and investigate the problems and the challenges that face these programmes and raises many other questions which need to be answered representing directions for future research. The next chapter brings the summary and conclusions of the main findings; limitations of the study; contribution to knowledge; recommendations; and directions for future research.

Chapter 8: Summary, Conclusions and Suggestions for Further Research

8.1 Introduction

This chapter outlines the research and its main findings, and identifies the contribution of the study to knowledge. It also reviews the extent to which the research objectives have been met before explaining the limitations of the study and suggesting proposals for future research.

At the outset, it is worth recalling that this is an exploratory study conducted in Libyan banking sector, which aims to explore the current practices of training and development and to evaluate their role in helping this sector to improve its performance. In order to achieve the aims of this study, the researcher has undertaken an intensive review of the available relevant literature on training and development, and carried out multi-methods approach (qualitative and quantitative) including a questionnaire and face-to-face semi-structured interviews as the main primary data collection methods, in addition to the use of the available secondary data.

8.2 Summary of the Main Findings

As an overall summary, and in the light of the analyses of the quantitative and qualitative data, presented in Chapter six and discussed in Chapter seven, the following summary of the main findings and conclusions were derived.

8.2.1 Training Needs Assessment Process

The majority of Libyan banks assess their employees' training needs sometimes and the majority of training needs were identified according to job requirements. The most common training needs assessment barriers within Libyan banks were the introduction of new work methods or tools, and the lack of employees' knowledge and skills. Also, Libyan banks provide training and development programmes for their employees when the employees need training on new technologies and new working method. The second important condition for providing training was when performance appraisal assessment is made.

It can be concluded also that the training needs assessment techniques in Libyan banks are highly subjective because they depend mainly on what managers or supervisors think about their employees' training needs, rather than on what performance appraisal records show or what the employees' job descriptions show, in addition to observation and the managers' viewpoints.

8.2.2 Training and Development Delivery Methods

The most commonly used training and development delivery methods in all Libyan banks were the external (outside the bank) training approach, off-the-job training. Although some Libyan banks offer in-house training, they still prefer sending employees to particular external providers and institutions. They also depend heavily on external providers in managing training and development programmes, including designing, implementing and evaluating these programmes. These findings raise many other important questions of whether external programmes are appropriate as a

main training and development approach; whether those external training and development programmes are always successful in meeting the banks' real needs.

Also, the lecture was the most frequently used training method by the banks and/or by external training providers. Based on these findings it was concluded that classroom methods were the dominant training and development methods which implies that training and development in most Libyan banks is considered as education for individuals' development and for the life rather than training for the current jobs. Also, it implies that difficulties arise in transferring the skills and knowledge learned into workplaces

8.2.3 Training and Development Evaluation Process

All Libyan banks believe in the importance of the evaluation process but they only conduct this process for their in-house training and development programmes sometimes. Asking trainees' managers or supervisors about the trainees' performance progress as a result of attending training and development programmes was the most frequently used evaluation method. In addition, performance appraisal reports were mostly used as an evaluation method for training and development programmes. Moreover, external training and development programmes are evaluated outside the banks. Therefore, training evaluation faces many difficulties such as the lack of well-qualified people who are in charge of training and development evaluation, lack of knowledge about the evaluation process and over dependency on external providers to evaluate the training and development programmes.

8.2.4 Problems and Challenges

The most important problems and challenges confronting the development and implementation of training and development activities and programmes in Libyan banks were: lack of motivation among employees to attend training and development programmes; lack of on-the-job training programmes; poor quality of external training and development centres; lack of well-qualified internal and external trainers; poor training planning; the difficulty in determining training needs; lack of long-term plans for developing human resources; work environment does not support the new behaviour learned; sending inappropriate persons to training programmes; and insufficient time to implement training activity.

8.2.5 The Use of Acquired Knowledge and Skills

The analysis revealed that most of the interviewees' emphasised that the application process depends on the subject of training programmes. If it were about practical issue the application process would be easy, but if it were about behavioural aspects the application process would take time to show its results and might be difficult. Based on that, the technical trainees were completely ready to apply their new skills and knowledge in their workplace, whereas management trainees encountered some difficulties to apply their new skills or used them only to a limited extent.

8.2.6 Things which need to be done in order to Improve Training and Development Effectiveness

It was found that, to tackle the main problems and challenges of the training and development, in addition to improving the training and development conditions, many actions need to be taken. These actions are: Training and development should be taken seriously as an investment and it should be seen as necessary rather than a prestige activity and/or a cost to be minimized; and training and development staff need to be responsible and able to convince the organisations' employees of the importance of training and development activities for the organisation's success. Also, training and development needs to be a systematic function that is linked and derived from the overall organisational strategies, plans and policies rather than being piecemeal, stand alone activities, designed to react to the current organisational conditions. Moreover, training and development managers and trainers need to be well-qualified, educated and, possibly, specialists in the training and development field. There is also a need to link training and development with a promotion, reward and punishment system. More attention should be given to training needs assessment, which determines the gap between what is happening and what is supposed to happen, in order to maximize organisational performance. Thus, training needs assessment should be conducted based on a systematic needs analysis, including organisation, job and employees' training needs, because this will save money, time and make training and development activities more useful.

8.3 Reconsideration of the Research Objectives

The main aim of this study was to explore, describe current practices and investigate the problems and the challenges that face training and development activities in the Libyan banking sector and to make suggestions that may improve the effectiveness of these activities. Eventually, this aim has been met and accomplished through the study objectives. Each of the four objectives has been met as follows:

8.3.1 Research Objective: One

To review relevant literature on training and development and learn from examples of good practice in order to develop a framework for the understanding and analysis of the Libyan training and development system in the light of modern theories and approaches.

To achieve this objective a critical literature review was conducted. The researcher reviewed a literature related to the concepts of human resource development and training and development. This includes definitions of training, roles and objectives of training and development education and learning. Moreover, the researcher reviewed a systematic approach to training and development which involves research analysis phase; development phase; implementation phase and evaluation phase.

Also, the researcher reviewed theoretical background related to training and development. He reviewed most of the attempts conducted to investigate the training and development activities in industrialised and Arab countries. It identifies all the criticisms and problems facing and influence training and development practices and activities. Therefore, the first objective was successfully achieved.

8.3.2 Research Objective: Two

To review critically current training and development policies, practices (the characteristics of training needs assessment, training and development delivery and evaluation process) and programmes provided by the Libyan banking sector, and highlight their strengths and weaknesses.

To meet this objective the study relied on the four main sources to obtain the required data:

- A questionnaire was used to collect data from Libyan banks' employees who were trained between 2000 and 2006.
- Semi-structured interviews were used to ascertain the views of training department managers in Libyan banks.
- Semi-structured interviews were to ascertain the views of top managers in Libyan banks.
- Other sources of data were also collected and used, such as documents and archival materials from the Libyan banks.

Therefore, it can be argued that this objective has been met through the collection of respondents' responses and analysing them.

8.3.3 Research Objective: Three

To unveil the problems and obstacles that are faced when implementing training and development programmes in the Libyan banking sector, and the factors that may solve such problems and reduce such obstacles in the future.

This objective has been met by unveiling the views of all respondents related to the main problems and obstacles that are faced when implementing training activities.

Also, the researcher summarised and discussed them in relation to the relevant literature. Therefore, the third objective was successfully achieved.

8.3.4 Research Objective: Four

To make recommendations as to how the training and development policies and practices of the Libyan banking sector can be improved.

This study has made many recommendations related to training and development practices in Libyan banks in terms of how training needs assessment processed is conducted, the implementation issues, training and development delivery methods and the evaluation process. Also, related to training and development effectiveness in improving organisations' performance. Moreover, recommendations related to the factors that may solve such problems and reduce such obstacles in the future. These recommendations may be adopted to improve training and development plans, policies and training programmes provided by the Libyan banks in the future. Therefore, it can be said that this objective has been met.

Therefore, it can be argued that this study has shed some light on a number of important questions, targeted a number of important objectives and all of them were successfully achieved.

8.4 Contributions of the Study to Knowledge

This study may contribute to the existing literature of human resources development in different ways. It has made a modest contribution to knowledge as explained below:

- This study is considered as a step towards theory building in relation to training and development in the Libyan banking sector. It has brought together a body of knowledge in training and development in Arab countries. The review of the literature in this field has revealed gaps and the need for more empirical studies to be conducted. Therefore, this study integrates and extends the empirical work conducted in this respect and fills some of the gaps in the literature.
- This study can be described as an important exploratory study that includes important issues which need to be understood for managing effective and successful training and development functions and programmes in organisations. It covers training and development and current practices in the Libyan banking sector, the role of training and development in this sector and an exploration of the impact of training and development on organisational and employees' performance.
- This study contributes to knowledge as being the first exploratory empirical study conducted into training and development in Libyan banking sector. Thus it raises and improves the understanding of training and development practices in Libyan banks and enriches the literature of training and development in Arab countries.
- This study raises awareness of the importance of training and development function as an important strategic function, which could help this sector to give a better understanding of how training and development could be effectively implemented.

- It has revealed many new facts and issues that need to be taken into account when studying the impact of training and development on organisational performance and when planning for an effective training and development programme, it provides what needs to be done to improve the training and development situation in Libyan banks and in many other organisations.

8.5 Limitations of the Study

Every research is limited by the constraints on the researcher, and this study is no exception. These are the limitations of this study.

- The sample study has been restricted to all Libyan banks, so the generalisation of the findings of the present study is limited to the Libyan banking sector. The generalisation to other business sector in Libya may not be possible due to the different organisational environment and context, and to different economic and structured factors.
- It was not intended in this study to explore external training providers' opinions, because this study takes the stand that the bank itself, more than the external providers, is the key determinant in making its training and development more effective.

8.6 Recommendations

In the light of the findings and conclusions referred to above, the following recommendations may be adopted to improve training and development plans, policies and training programmes provided by the Libyan banks.

1. In terms of training needs assessment, this process needs to be systematic; training needs should be assessed based on objective systematic techniques rather than being subject to the employees' direct managers' viewpoints and personnel aspects. Employees need to be nominated to attend training and development because they need training, emphasising the need to be on employee performance appraisal records and job descriptions when assessing training needs. Analyses should include individual, organisational and job training needs rather than just individuals' needs.
2. In terms of training and development delivery methods, more emphasis on in-house training, specifically on-the-job training, is required. Also, organisations need to consider the quality of external training and development centres and, when studying the external training offers, the quality and appropriateness need to be taken into account. Coordination and cooperation between these organisations and the external providers is required rather than over dependency on them to manage training and development programmes, especially the evaluation process.
3. With regard to the evaluation process more attention and effort is required when evaluating training and development programmes. Importantly, there is a need to evaluate the outcomes of external training and development programmes rather

than asking the external provider to do that. Evaluation stage should be based on a systematic model and conducted based on the objectives of the planned training and development programmes.

4. Training and development needs to be taken seriously in terms of: training and development staff need to be well-educated and experienced because they have the responsibility to improve the training and development situation; training and development needs to be integrated and derived from organisational strategies, plans and policies; training and development should be linked to promotion and reward systems; training and development problems and challenges need to be solved and employees need to be encouraged to attend training and development programmes.
5. Since employee satisfaction and commitment is an important issue, Libyan banks should pay more attention to how to satisfy their employees and increase their commitment.
6. Top managers and line managers need to be committed to, and supportive of, training and development activities through being involved in formulating training and development strategies, plans and objectives.
7. Consideration should be given to establishing more capable central units responsible for training and developing employees, in order to enable the Libyan banks to cope with rapid technological change. Also, to the specific training needs of this banks.

8. Banking sector should develop their relations with universities and other educational institutes to facilitate vocational training in their works for students, with dual supervision and evaluation, and research and consultation by universities' academic staff.

8.7 Suggestions for Future Research

It could be said that this study has shed some light on a number of important questions, targeted a number of important objectives and has made a significant contribution as one of the first attempts at empirically exploring the nature and the extent of training and development programmes in the Libyan banking sector, identifying the main concerns and problems which face training and development activities, in addition to exploring the vital role of training and development in improving the banks' performances. It could be argued that the limitations of this study, presented in section 8.5, could be viewed as opportunities for future study.

This study has raised and explored many other questions which need to be answered in future studies. Therefore, the researcher feels that there are several other research directions that could be successfully pursued in the future.

1. A research sample studying training and development practices within two or more sectors would provide more valuable information and provide the opportunity to compare between them.

2. Research designed to target the trainers, to explore their perspective of training and development programme effectiveness and problems would be a valuable contribution.
3. A comparative study between some UK or developed countries organisations that invest in people and Libyan organisations would also be valuable.
4. An explanatory study could be undertaken to investigate the impact of organisational characteristics, such as size, sector, foreign or domestic ownerships, staff turnover on training measured by the number of trainees, cost of training and development and duration.

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UNIVERSITY
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ABERTAY DUNDEE

DUNDEE BUSINESS SCHOOL

Trained Employees' Questionnaire

To Trained Employee

Dear Sir/Madam,

I am writing to ask for your valuable assistance in completing a questionnaire that is part of my doctoral research which I am undertaking during my period of study at the Dundee Business School, University of Abertay Dundee, UK.

The study is related to human resources development and my topic is: "Training and Development in the Libyan Banking Sector".

The questionnaire should not take very long time to complete and for the vast majority of questions you need only to tick the appropriate boxes. All the information collected will be treated as strictly confidential and anonymous. Your name will not appear in any printed material and no part of the data will be used for any purpose other than the current piece of research. For your reassurance, your name is not requested in any part of the questionnaire.

Your participation in this study is extremely important. A good response in answering the questions is vital and can make all the difference in coming up with valid results which could potentially form the basis for the formulation of constructive suggestions for improving future training and development in the Libyan banking sector.

Thanking you in advance for your kind co-operation

Awad M. Abdulsadig

Please tick the appropriate box and fill in the necessary details.

Section One: Personal Information

Q1: Which bank are you in?

- National Commercial Bank ☐
- Umma Bank ☐
- Jumhuriya bank ☐
- Sahari Bank ☐
- Wahda bank ☐
- Agricultural Bank ☐
- Savings and Real Estate Investment Bank ☐
- Development Bank ☐
- Libyan Arab Foreign Bank ☐

Q2: What is your age? Years

Q3: What is your gender? ☐ Male ☐ Female

Q4: What is your highest level of formal education?

1	Lower high school	
2	High school	
3	Diploma in (please specify)	
4	Higher diploma in (please specify)	
5	University bachelor's degree in (please specify)	
6	Master's degree in (please specify)	
7	Doctorate in (please specify)	
8	Other, please specify	

Q5: What is your current level in the bank?

Q6: How many years of work experience do you have in total? Years

Q7: How many years of work experience do you have in this bank? Years

Section Two: The Reactions for taking Training Programmes

I. The Objectives of the Training Programmes

Q8: To what extent do you agree or disagree with the following aspects?

The objectives of the training programmes		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	The objectives of the training programmes were built to increase customer satisfaction					
2	The objectives of the training programmes were built to decrease the number of customer complaints					
3	The objectives of the training programmes were achieved					
4	I clearly understood the objectives of the training programmes					

II. Content of Training Programmes Attended

Q9: To what extent do you agree or disagree with the following aspects?

Content of training programmes attended		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	The content of training programme I attended had a practical application to my current job					
2	The content of training programme I attended has been valuable for my career development					
3	I found the content of the programme interesting					
4	The training content was well organised					
5	I have found the training programme very well presented					
6	I have learned from the training programme					
7	The training programme met my expectations					

III. The Programmes Usefulness and their Relevance

Q10: To what extent do you agree or disagree with the following aspects?

The programmes usefulness and their relevance		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	The training programme was relevant to my current job					
2	The training programme provided useful knowledge that I can apply in my current job					
3	The training programme would help me to improve my work performance					
4	The training programme helps me to learn new or better ways of doing my job tasks					
5	The training programme helps me to make better use of my time					
6	The training programme helps me to understand my responsibilities					
7	The training programme helps me to identify customers' needs					
8	The training programme helps me to exceed customers' expectations					
9	The training programme helps me to know the requirements of the bank work and the working process well enough to assist me in providing high quality performance					

IV. The Trainer

Q11: To what extent do you agree or disagree with the following aspects?

The trainer		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	My trainer was able to teach the subject matter thoroughly					
2	My trainer was able to encourage the interest of the trainees in the topic					
3	My trainer was able to explain the subject in detail					
4	My trainer was able to help trainees with problems					
5	My trainer was able to monitor trainees' progress					
6	My trainer was able to give practical examples to support the topic					

Section Three: Banks' Training Environment and Support Mechanisms

Q12: To what extent do you agree or disagree with the following aspects?

Bank Training Environment and Support Mechanisms		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	The place where I took the training was convenient					
2	The bank I work for makes efforts to determine my training needs					
3	The bank prepares an effective environment for training					
4	Employees in this bank receive continued training to provide good service					
5	Employees in this bank receive extensive customer service training before they come into contact with customers					
6	Employees of this bank receive training on dealing with customer problems					
7	Employees of this bank are trained to deal with customer complaints					

Section Four: Trainees’ Satisfaction with the Training Facilities and Organisation

Q13: To what extent do you satisfied or dissatisfied with the following aspects?

Trainees’ satisfaction with the training facilities and organisation		Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
1	The quality of training materials and assignments					
2	The quantity of training materials and assignments					
3	The training facilities and services					
4	Organisation and co-operation of the training programme					

Section Five: The Benefits of Training Programmes

Q14: To what extent do you satisfied or dissatisfied with the following aspects?

The benefits of training programmes		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	Increased job motivation					
2	Increased enthusiasm for the job					
3	Improved customer service					
4	Improved communication between departments					
5	Improved communication between employees					
6	Improved teamwork between departments					
7	Improved teamwork between employees					
8	Other, please specify					

Section Six: Training and Development Problems and Obstacles

Q15: To what extent do you agree or disagree with the following possible factors that might hinder training and development in your bank?

Possible factors that might hinder training and development		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	Some managers do not believe in the importance of training and development					
2	Absence of performance efficiency system					
3	Lack of long-term plans for developing human resources					
4	Difficulty in determining training needs					
5	Discrepancy between the training and development provided and the required job-related skills					
6	Work environment does not support the new behaviour learned in training and development programmes					
7	The bank does not link training programmes to employees' needs					
8	The bank does not link training programmes to its business plans					
9	Sending inappropriate persons to the training programmes					
10	Insufficient time to implement training programmes					
11	Other, please specify					

Q16: What do you believe are the most important strengths and weaknesses of the training and development programmes in your bank?

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If you have any further comment about the training and development programmes please write here

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Thank you very much for your kind assistance in completing this questionnaire and participation in the study

Semi-structured Interview Schedule with Top Managers

Section One: The Position of Training and Development in the Bank

Q1: Do you think the training and development programmes are important for the bank's success and why?

Q2: Do you see training and development as a cost or as an investment and why?

Section Two: The Significance of Training and Development Outcomes

Q3: Do you think that training and development programmes conducted by the bank have been successful in achieving their objectives or not and why?

Q4: To what extent do you agree or disagree with the following statements?

		Disagree	Not sure	Agree
1	It is very important for every bank to have a separate department for training and development activities			
2	The current level of training and development activities is sufficient			
3	Training and development programmes must be linked to the bank's objectives and strategy to be successful			
4	Line managers appreciate the value of training and development and they are keen to work with internal training staff			
5	Training and development plans and policies are translated into measurable, workable programmes			

Q5: How significant is the impact of training and development in relation to the following areas:

		High impact	Low impact	Do not know	No impact
1	Profitability				
2	Productivity				
3	Cost reduction				
4	Quality of services				
5	Reputation of the bank				

Section Three: Training and Development Problems and Obstacles

Q6: What are the main problems of training and development in your bank?

Q7: To what extent do you agree or disagree with the following factors that they are likely to increase the need for more training and development within your bank in the future?

		Disagree	Not sure	Agree
1	Privatisation			
2	Rapid change in technology			
3	Internal competition			
4	External competition			
5	Customer changing needs			

Section Four: Transferring Skills and Knowledge

Q8: In your opinion, do employees in your bank have applied what they learned in training and development programmes?

Q9: In your opinion, what type of support was needed in your bank to improve training and development activities?

Q10: Do you have any other comments, which you think may also be relevant to the research being undertaken?

Semi-structured Interview Schedule with Training and Development

Managers

Section One: Current Practices of Training and Development

- Training Needs Assessment

Q1: Do you conduct formal training and development needs assessment in your bank and which method do you use to determine training needs?

Q2: Which indicators do you use to assess the training needs?

Q3: When is training provided for employees in your bank?

When training is provided		Never	Rarely	Sometimes	Mostly	Always
1	When new employees are recruited					
2	When employees need training on new technologies and new working methods					
3	When performance appraisal assessment is made					
4	When employees are upgraded to fill in new positions					
5	When a department requests it					
6	When the employees request it					
7	Other, please specify					

- Training Methods

Q4: Which training methods are used by your bank and/or by external training providers?

Q5: Does your bank acquire or gain any sort of assistance from external providers (trainers/training centres) during the preparation or implementation of your training and development programmes?

Q6: If yes, please indicate the type of assistance provided by the external providers?

- Training Evaluation

Q7: Does your bank evaluate training and development programmes?

Q8: If your bank evaluates training and development programmes, what methods are usually used?

Section Two: Training and Development Problems and Obstacles

Q9: What are the main problems of training and development in your bank?

Q10: To what extent do you agree or disagree with the following factors that they are likely to increase the need for more training and development within your bank in the future?

		Disagree	Not sure	Agree
1	Privatisation			
2	Rapid change in technology			
3	Internal competition			
4	External competition			
5	Customer changing needs			

Section Three: Transferring Skills and Knowledge

Q11: In your opinion, do employees in your bank have applied what they learned in training and development programmes?

Q12: In your opinion, what type of support was needed in your bank to improve training and development activities?

Q13: Do you have any other comments, which you think may also be relevant to the research being undertaken?